

EUROPEAN NEWS

Our Foreign Staff report on the inquiry into the Soviet nuclear disaster

Chernobyl engineers ignored safety rules

SIX SEPARATE violations of safety procedures are listed in the Soviet report to the International Atomic Energy Association on the accident to the Chernobyl nuclear reactor in the Ukraine on April 25-26.

The report, which runs to 69 pages in English translation says that 176 people were on duty at Chernobyl on the fateful night when the tests were started, with 268 construction workers also nearby.

Immediately after the accident 108 people were taken to hospital and acute radiation sickness was diagnosed in 84. Up to the beginning of last month the death toll was 28.

The report gives a frightening second by second picture of the operators struggling to control the reactor manually after several of the automatic safety systems had been switched off.

The reactor manually after several of the automatic safety systems had been switched off. With the aid of the computer model the inquiry has pieced together the probable sequence of events starting at 1.15 am on April 26.

French jobless figures worsen

FRANCE'S right-wing Government appears to have found a receptive ear for its plans to introduce more flexibility into the labour market following a call from Mr. Edmund Maire, one of the legal and regulatory barriers separating people from jobs.

Sudan rebels claim to have shelled southern town

THE Sudan People's Liberation Army (SPLA) said yesterday that its forces shelled the southern town of Wau and killed at least 117 Government soldiers at the start of an operation to capture four strategic towns.



The radio said Government troops at Wau Barracks had revolted for several hours on August 14.

Chancellors try to cool reprocessing row

CHANCELLOR Helmut Kohl of West Germany and Franz Vranitzky of Austria met yesterday and agreed to differ over West German plans to build a nuclear reprocessing plant at Wackersdorf in Bavaria some 75 miles from the Austrian border.



Chancellor Vranitzky (left) and Chancellor Kohl who met yesterday and agreed to differ over West German nuclear reprocessing plans.

Kohl's mind about the plant which has raised a storm of protest from environmentalists in Austria. Mr Kohl said he respected Austria's decision not to have nuclear power but that Austrians should also respect West Germany's decision to build Wackersdorf.

Fire near reactor revealed

A POTENTIALLY disastrous fire broke out near the ruined reactor at Chernobyl almost a month after an accident there on April 26, a Soviet newspaper indicated yesterday.

Thousands tour Sweden's N-power plants

TENS OF thousands of tourists are flocking to Swedish nuclear plants after the Chernobyl disaster, driven by both fear and interest in the atom, Reuter reports from Stockholm.

This is the topic of the day, so people want to learn more about nuclear power. The message which is being spread in the Barsebeck nuclear station.

Some people have had to be turned away on particularly busy days. There's really huge interest in our internal affairs, should it be delivered, will be rejected, a Foreign Ministry spokesman said.

Sweden, which alerted the world to the Chernobyl disaster, decided in 1980 to close the country's 12 reactors by the year 2010. Immediately after Chernobyl, a commission was appointed to investigate if this should be speeded up.

New Zealand newsprint plant closed indefinitely

NEW ZEALAND'S biggest producer of newsprint and the country's largest single exporter, the Masman company's Kawerau plant has been shut down indefinitely following a five-week strike by pulp and paper workers.

The company action is a direct confrontation with the Pulp and Paper Workers Union—one of 12 unions at the plant. Sir Ron Trotter, chairman of Fletcher Challenge, blames "misguided" union leaders for the shutdown.

Kurds killed in Turkish air raid on guerrilla hideouts in Iraq

A TURKISH air raid on Kurdish guerrilla hideouts in northern Iraq last Friday killed between 150 and 200 people. Prime Minister Turgut Ozal was quoted as saying yesterday, Reuter reports from Ankara.

Spokesmen at the foreign and prime ministries said they could not say if the report was accurate.

Mr Ozal said on Friday that the attack on what he called three rebel hideouts was in reaction to the killing of 12 Turkish soldiers in an ambush by Kurdish guerrillas near the Iraqi border last week.

He accused Turkey of moving two-thirds of its army of about 85,000 soldiers to areas inhabited by Kurds and using it in operations against them.

Storms brew trouble for Czechoslovak beer output

THE weather has been so bad that in another district five students among the hundreds helping with the harvest were wounded by falling trellises during a storm.

Hops are grown on some 11,800 hectares throughout Czechoslovakia and the country is the world's fourth largest producer, CTK said yesterday.

HK anti-nuclear delegation presents petition to China

A HONG KONG anti-nuclear delegation presented the Chinese Government yesterday a petition apparently carrying 1,048 signatures from the Territory, calling for the scrapping of a planned nuclear power plant at Daya Bay in southern China.

The petition was presented to Ni Hou, deputy director of the Hong Kong and Macau Affairs Office, who told the members of the Coalition for the Shelving of the Daya Bay Nuclear Power Plant that he would pass the petition and their concerns on to China's State Council.

Iran charters giant supertanker for storage

IRAN has chartered the largest ultra large crude carrier ever built, the 565,790 dwt Sea-Wise Giant, for floating storage at its new export terminal facility off Larak Island near the Strait of Hormuz.

At the same time Kharg Island has been badly damaged in recent raids. Only two or three out of 10 of the berths at the T-jetty there are operational and only one at the more important Sea Island.

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State to help Danish shipyards

DANISH SHIPYARDS are to receive a helping hand from the state, following agreement late on Tuesday between the minority non-Socialist Government and the opposition Social Democratic Party.

The yards have received virtually no new orders since the end of 1984. One announced that it was closing in June and several others are in imminent danger of having to close.

Paris oil search

Total, one of France's two state-controlled oil companies, said yesterday that a seismic survey of Paris and its suburbs had begun and would continue over the next five months in a search for oil.

Denktash request

Outgoing Turkish Cypriot Prime Minister Dervis Eroglu said yesterday that Mr Kauf Denktash, leader of the self-proclaimed republic, had asked him to form a new government within 15 days.

Greeks on strike

Thousands of Greek union members staged a four-hour strike yesterday in protest at wage restrictions and the government's relaxation of rent laws.

Clubs: EVE has pulled the others because of a policy of fair play and value for money...

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OVERSEAS NEWS

Pretoria to give R3.1m to families of detainees

By Jim Jones in Johannesburg

FAMILIES of South Africa's emergency detainees are to be given R3.1m (£794,870) relief assistance by the state, Finance Minister Barend du Plessis said in Cape Town yesterday. The relief will be provided as part of a newly-budgeted R750m package of state spending intended to create jobs and to stabilise the country.

Mr du Plessis did not say how the money would be allocated to detainees' relatives.

On Monday the Government disclosed the identities of 4,651 people who have been held for more than 30 days without trial or access to relatives since the declaration of a nation-wide state of emergency on June 12.

On Tuesday Mr Neil Ross, head of the Progressive Federal Party's Missing Persons Bureau, alleged that the list of names provided by the Government was incomplete. He said it did not include at least 2,500 people who had been held for less than 30 days.

Mr du Plessis said the state would provide R40m to a trust fund which will provide money to unemployed people to enable them to build their own low-cost homes. A further R350m will be spent on other labour-intensive, job-creation projects around the country which can be started quickly.

The housing trust fund is to be augmented by the issue of about R1.2bn of housing bonds at market-related interest rates. Mr du Plessis said that several house building projects could start within the next few days as land is available and its development has only been awaiting the necessary finance.

The United Democratic Front, South Africa's largest anti-apartheid coalition, celebrated its third birthday yesterday with a vow to intensify its activities despite state-of-emergency curbs. AP reports from Johannesburg.

About 1,000 people, mostly students, marked the UDF's anniversary at a noisy indoor rally at the University of the Witwatersrand in Johannesburg. But police banned another UDF meeting that was to take place at City Hall in Cape Town.

Counting the cost of destabilisation

WHEN leaders and ministers from nine southern African states meet in Luanda today to discuss recent events in South Africa and plan the imposition of sanctions against Pretoria, they will also be considering their own vulnerability to retaliation.

Nearly six and a half years after the nine states—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe—launched a regional grouping designed to reduce trade and transport links with South Africa, the dependence in most respects is greater, not less.

A report compiled late last year by the nine, known as the Southern African Development Co-ordination Conference (SADCC), notes progress in some areas — such as telecommunications — but concludes: "As measured by trade flows through SADCC and non-SADCC ports (i.e. South Africa) the region has become more dependent on the latter since 1980." Zambia and Zimbabwe, two of the states at the forefront of calls for sanctions, channel around 45 per cent and 90 per cent respectively of their trade through South Africa.

The importance of South Africa as a source of manufactured imports has not significantly decreased, says the report. Four of the nine have increased their purchases of electricity from the Republic

Michael Holman assesses the position facing the Southern Africa Development Co-ordination Conference which meets today

and Johannesburg remains the hub of regional air traffic, linked by 120 weekly direct flights to seven Southern African capitals.

The reasons for SADCC's gloomy report stem largely from South African counter measures.

Since the group's inception in April 1980, efforts to bring free of South Africa's dominance of the region have been met by a combination of force and persuasion from Pretoria.

On the one hand, South African military action, direct or through proxies, disrupts alternative routes to the sea through Mozambique and Angola. On the other, Pretoria's transport officials do their best to keep those routes which interlock with the South African railway system running smoothly, providing neighbours with additional locomotives or rolling stock when necessary.

The cost of what SADCC terms South Africa's "destabilisation campaign" has been massive. A study by the group puts it at US\$10bn (£6.7bn) between 1980 and 1984, taking into account damage to property and productive capacity, lost tourism, higher transport costs and greater defence costs.

Only the Tanzania Zambia Railway (Tazara) to the port of Dar Es Salaam, in theory capable of handling the trade of both countries and with capacity to spare, has been unaffected by the turmoil of Southern Africa. Yet the Chinese-built line, opened in the mid-1970s, has a disastrous record with problems in the management of the line, shortages of rolling stock and locomotives, and inefficiency at the port, leaving Tazara running at a fraction of capacity.

AS SADCC itself stresses, its plans for co-operation in the areas of industry, agriculture, energy and mining are critically dependent on efforts to reduce transport links with South Africa. The failure of these efforts, together with the fact that South Africa remains the cheapest source of supply, means that Pretoria has been able to keep much of black southern Africa at the end of an umbilical trade cord.

It is against this background that the two-day meeting in Luanda, combining a scheduled session of SADCC and a summit of the leaders of the front line states (Angola, Botswana, Mozambique, Tanzania, Zambia

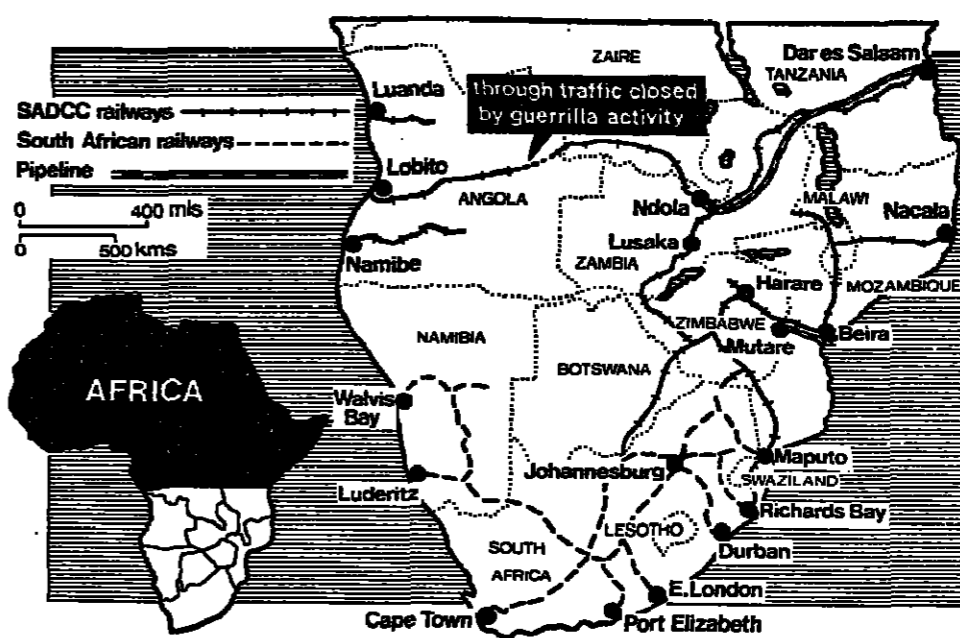
and Zimbabwe) takes place. Aware of their vulnerability to South African retaliation, the African leaders will be considering what sanctions they can apply against Pretoria and what contingency plans could cushion Pretoria's response.

They will have before them a list of measures endorsed by six of the seven Commonwealth leaders (including President Kenneth Kaunda of Zambia and Mr Robert Mugabe, Zimbabwe's Prime Minister) at the meeting in London earlier this month.

The package includes an end to air links with Pretoria and a ban on the import of coal, iron and steel and agricultural goods.

The threat of these sanctions has already provoked South African retaliation. Within days of the London meeting, trucks carrying goods to Zambia and Zimbabwe were delayed at border checks as South African customs officials enforced regulations which seemed designed to call attention to the vulnerability of Harare and Lusaka.

Mr Mugabe appeared undeterred. The same week he promised that by the end of the year Zimbabwe would impose the complete London package. So far President Kaunda, who supports the package in principle, has not committed himself to a timetable, while there has been no word from Kenya (which will



be represented in Luanda) which provides a stopover in Nairobi for 38 international flights a week to Johannesburg. The first task of the Luanda meeting is to co-ordinate action. The second will be particularly challenging, given the record of the past few years: to make further, urgent efforts to find alternative trade routes.

Attention will be focused on two outlets. The first is the so-called Beira Corridor, a vital rail, road and oil pipeline link between the Mozambique port and eastern Zimbabwe. Frequently the target of attacks by the South African-backed Mozambique National Resistance (MNR) rebels, the corridor is already protected by some 5,000 Zimbabwe troops.

Last April aid donors met in Beira to consider a \$68m contingency plan to upgrade and rehabilitate the route, which could save Zimbabwe \$105 per tonne in freight costs and Malawi \$180 per tonne, giving total savings to the two countries over the longer, more expensive South African route of \$455m a year — assuming the port is run efficiently.

While the rehabilitation may be technically feasible, the rundown state of the port means that it will be a slow process. The second major route due for priority rehabilitation is the Tazara line and Dar-Es-Salaam port, but again results will be slow in coming.

In the meantime, said the report, "the physical condition of the infrastructure is further deteriorating, with the result that more traffic is still being diverted to South African ports and railways."

Violence scars Mahatma site

PHOENIX SETTLEMENT, the historic site near Durban founded by Indian leader Mahatma Gandhi to live out his non-violent philosophy, has been engulfed in South Africa's gang warfare, Reuters reports.

In the shanty town which has mushroomed on the site since it was virtually razed a year ago, black squatters said four of their number died last week in battles over land, money and water. The latest fighting left deserted a school for the squatters' children, which had begun to rise from the ruins of a house where Gandhi lived.

The Phoenix settlement's school for Indian children, Gandhi's house and the valuable library he founded were almost completely destroyed a year ago when Indians fled brutal political fighting sweeping the area's black townships.

Since then thousands of black squatters have flooded on to the deserted settlement's few acres of land, building their mud shacks right up to the walls of Gandhi's home.

The settlement's trustees still run a clinic there, caring for blacks and Indians alike, and they allowed the black squatter school to move into what was once Gandhi's library. But the pupils, whose makeshift desks of bricks were an improvement on their former classroom in a township shebeen, or drinking den, have now fled.

Headmistress Isabel Mngadi, surveying an empty classroom, declared: "For four years I've been running this school and we had no facilities and we struggled and worried... Always there were lots of children and they always came to school, even when there were troubles in the area. I just hope these troubles will not destroy their education."

The deadly tensions at the Phoenix settlement are tragically familiar to South African squatter groups. First was the matter of land, money and leadership. Whoever wins the title of community leader has the power to decide who can squat — at a price of up to R500

(\$190) per site. The latest battle is over the communal water tap. The first wave of squatters is barring a new influx from using it.

Finally there are rivalries between Zulus, who view the area as their territory, and Pondos from further down the Indian Ocean coast, who fled rural poverty to seek work in Durban.

Durban police confirmed that people had died in fighting at the settlement last week. No details of security force action can be given under sweeping press censorship imposed on South Africa in June.

From the hillside where Gandhi — who spent long periods of his life in South Africa — bought land for a communal farm in 1904, the squatters look out at what has become a dense sprawl of black and Indian shanty towns and official townships.

Some blacks in the area accuse Indian landlords and shop owners of overcharging them for food and making them pay for squatter sites

South Africa concedes invalidity of press curbs

BY JIM JONES IN JOHANNESBURG

LAWYERS acting for the South African Government conceded yesterday that two provisions in the country's emergency regulations which curb press reporting were invalid.

The concession, which stems from a technical point involving the implementation of press curbs rather than the curbs themselves, is unlikely to have any immediate impact on reporting restrictions currently in force.

The restrictions are being challenged by four English language newspaper groups in the Natal Supreme Court, sitting in Pietermaritzburg, and the concession was made in the course of yesterday's hearing.

The two provisions are the ban on unauthorised reporting of any action by the security forces, and a ban on unauthorised reporting trips by journalists into areas affected by unrest.

Lawyers acting for the Government accepted that the regulations disseminated by government through a telefax message to the South African Press Association which in turn relayed it to subscribers, had been improperly promulgated.

This meant that the two provisions had no standing, but a government lawyer said that they would be reimposed through early publication in a special government gazette.

The court has reserved judgment on the validity of the emergency press regulations themselves. The newspaper publishers have challenged the regulations on the grounds that they are too wide and too vague to be applicable. A ruling is expected sometime next week.

Requests that the regulations be made more specific have been ignored by the Government.

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- * Rationalisation and relocation programme successfully completed.
- * Programme of residential, office and commercial developments implemented.
- * First phase of Luton Airport Executive Park nearly complete.
- * Increase in earnings per share.
- * Profit on ordinary activities before taxation includes unrealised exchange gains of £287,352 arising from the restatement of Eurobond dollar liabilities into sterling at the rate ruling at 31st March, 1986.

Year ended 31st March	1986	1985 (15 months)
Profit before tax	£ 381,602	£ 499,346
Net profit	£ 281,840	£ (168,399)
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Dividends per share	3.8p	3.8p

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NORTHWEST

AMERICAN NEWS

Mexico capitalises on its citizens' appetite for dollars

BY DAVID GARDNER IN MEXICO CITY

MEXICANS will from today be able to indulge their insatiable appetite for dollars through a new peso instrument the government is issuing...

pagafe purchasers could be looking at an annualised return of 12 per cent. Pagafes are thus an attractive instrument in the securities market...

for instance, in April published a study putting capital flight over the past 10 years at \$30bn. without which, they claimed, Mexican foreign debt would be \$12bn.

President Miguel de la Madrid (right) is the country's most financially orthodox leader for decades. His Government's new peso instrument is an attempt to keep savings from leaving the country and provide badly-needed finance for the treasury.



government, but seen another way, it could provide anything up to \$2bn a year, at rates on a par with the London inter-bank offered rate (Libor) but no spread, reducing the need for foreign borrowing by a corresponding amount.

of what money there is. Cut off from new credit abroad, it has taken 93 per cent of banking system resources, and had to raise rates on its own securities to record highs, creating a paper chase of ever higher yield instruments to squeeze out more finance.

On July 17, the auction system for notes was restored, all issues since then have been for only 28 days (suggesting, at least, that interest rates have topped out) and now the pagafe has been slotted in as a six-month instrument between the Treasury bills and much longer-term petrobonds and acceptances.

Product liability threatens aircraft makers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SOARING product liability claims are threatening the future of manufacturers of small private and business aircraft in the US. Mr Russell Meyer, chairman and chief executive of Cessna, one of the US big three light aircraft builders...

Cessna would fall this year to \$500m, from \$600m the beginning of the decade. Overall, the light aircraft manufacturing industry's lay-offs totalled 66 per cent of the workforce.

He told the House committee that "over 90 per cent of the total dollar amount of judgments and settlements in 1984-85 involved paid claims of \$1m or more, in contrast to only 4 per cent in the period of 1978-81."

volume of liability lawsuits had resulted in the industry's bills for claims and associated costs had "skyrocketed" from \$24m in 1977 to \$206.7m in 1985.

US housing starts fall 1.8%

By Reginald Dale, US Editor, in Washington

THE US housing boom continued to fall off last month, in a further sign of a weakening economy, according to government figures released yesterday. The Commerce Department says that housing starts fell by 1.8 per cent in July, the third consecutive monthly decline.

Salvador Government holds talks with left-wing rebels

BY OUR MEXICO CITY CORRESPONDENT

SALVADOREAN government and left-wing rebel leaders met in Mexico City yesterday in a renewed effort to agree on the agenda, venue and date of a third round of negotiations to end the country's six-year-old civil war.

in October and November 1984 El Salvador, but broke down with the two sides as far apart as when they began.

Israelis deny spy charge

THE PRESIDENT of Recon Optical, a US company which makes sophisticated aerial spy systems, said yesterday Israel had schemed to steal the company's technological secrets, Reuters reports from Chicago.

Israel called the charge baseless, saying it was involved in a "purely commercial dispute" with the company that involved contract cost overruns.

Argentine currency continues to decline

THE ARGENTINIAN currency, the Austral, continued its decline against the dollar this week in the Buenos Aires money market. The fall is a response to continuing worries about the stability of the Government's economic programme and its ability to rein in an inflation rate which is expected to reach 10 per cent monthly during August, writes Tim Cooney in Buenos Aires.

devalued the value of the Austral by almost 5 per cent in seven days. Since the beginning of August, it has fallen 6.2 per cent. It is now valued at 0.875 to the US dollar.

August 15th slide of the Austral is to be effectively stopped.

The Economy Ministry appears uncertain what to do, fearing that brusque changes in US, areas because the Administration will create a crisis of confidence in the Government's economic strategy and exacerbate fluctuations in what has been an unstable market for over a week.

Industry analysts are hoping that construction starts will pick up again in the months ahead as mortgage rates continue to fall. Despite the recent declines, housing starts for the year so far are still showing an annual rate of 1,894,896 homes, the highest since 1978.

It is understood that President Jose Napoleón Duarte and General Adolfo Bianda, the army chief of staff, would lead the government side, with the insurgents, fielding their top political leaders, Dr Guillermo Ungo and Mr Ruben Zamora, and two main military commanders, Comandante Joaquín Villalobos from the East, and Comandante Leonel Guzmán from the North of the country.

These elections would decide who rules El Salvador.

"We are calling for the democratic composition of the government on a ceasefire basis, with a fixed time scale leading to new elections," Mr Zamora said.

WORLD TRADE NEWS

Beretta criticises moves to reopen US pistol contract

BY DAVID LANE IN ROME

THE CHAIRMAN of Beretta, the Italian firearms manufacturer, yesterday criticised a move in the US congress to suspend a \$75m (\$50m) contract under which Beretta would supply pistols to the US Army.

The contract was signed in January, 1985, and calls for shipment of 316,000 pistols by the Italian company to the US Army. The contract was won in the face of tough and often emotive competition from Smith and Wesson of the US and several non-US companies.

The US factory will be wholly responsible for the remaining 216,000 pistols.

Spain's shipping policy under fire

Tim Dickson reports on a campaign by European traders

EUROPEAN FOOD traders and shippers are campaigning to remove long-standing protectionist measures by the Spanish Government which they say are seriously hampering international trade.

and barley. But recent and not so recent events in Brussels suggest that the problem will not be sorted out quickly.

procedure in Greece, Portugal, France and Italy as well as Spain.

While the question of cargo reservations is bogged down by contact between two Mediterranean countries, the issue of cabotage is complicated by a more classic EEC north/south divide and could be even more difficult to resolve.

GM to set up joint venture in Japan

By Paul Taylor in New York

GENERAL MOTORS, the largest of the US car makers, said its Dayton, Ohio-based inland division has agreed to set up a Japanese joint venture company with NKK Spring of Yokohama, Japan to manufacture car suspension springs made of fibre-glass reinforced plastic.

Portuguese tourism lures foreign investors

BY DIANA SMITH IN LISBON

FOREIGN INVESTMENT in industry has not flooded into Portugal but tourism continues to prove a magnet for overseas companies as well as several million sun-seekers from northern climes.

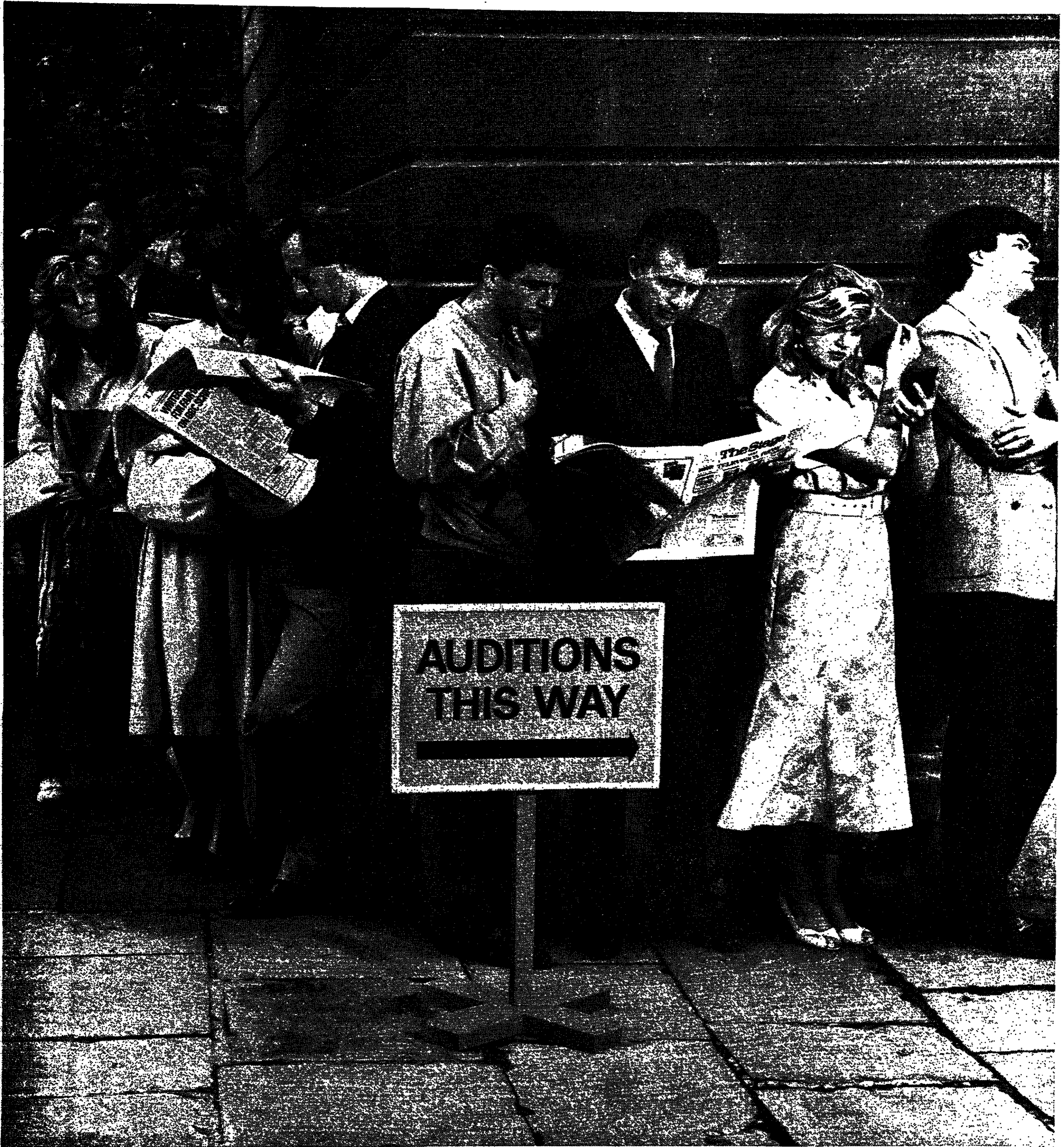
Some \$10m (\$6.6m) has been spent on building a 700-bed village (Vilar do Golf) to be run by four operators at the edge of a Quinta do Lago golf course.

Japan steel order

Four Japanese steelmakers are expected to win an order for 20,000 tonnes of pipe for a natural gas pipeline from the Soviet Union to Turkey, Reuters reports from Tokyo.

Nippon Steel, Nippon Kokan, Sumitomo Metal Industries and Kawasaki Steel are expected to sign contracts with Silecapag, the French company contracted to build the line, by the end of this month. The pipes will be used for the section running from the Bulgarian border to Ankara.

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UK NEWS

Grumman urges cheaper radar warning system

BY DAVID BUCHAN

GRUMMAN of the US has effectively decided not to compete with American rivals in offering Britain a costly complete airborne early warning (AEW) system. Instead, it is focusing its efforts on a cheaper bid that would mesh its radar into the airframes of the UK's existing Nimrod aircraft. Grumman, which called a London press conference to allay technical doubts about its AEW radar, said the "best combination of cost and operational effectiveness" was for Britain to take the radar from the Grumman E-2C Hawkeye aircraft and put it into Nimrod airframes - the so-called HawkRod solution. This would cost the British taxpayer £500m, Grumman disclosed. But half the value of the work would be carried out by British Aerospace (BAe). The New York-based aerospace company had other substantial work to offer British industry, including the possibility of a big order for acoustic processors from Marconi, a GEC subsidiary. Another GEC company, GEC Avionics, is trying to fight off US and domestic competition and retain the contract to complete a purely British Nimrod-based AEW system. As the Government's early autumn decision date on the AEW contract nears, lobbying by the US

contenders has intensified. This week Boeing announced that the British defence contractors Plessey, Ferranti and Racal had aligned themselves behind its offer of E-3 AEW aircraft. Grumman said its second offer of complete Hawkeye aircraft still stood. But it admitted that these aircraft, developed to fly from US Navy carriers, could only meet the RAF's requirement for a system that could hover for five hours, up to 700 miles off-base, by in-flight refuelling. The HawkRod solution would save the UK having to buy new airframes, putting it in the same rough cost bracket as the GEC programme. The weakness in the Grumman bid is that it has so far only offered offset work for British industry of up to 70 per cent of the HawkRod cost, unlike the 100 per cent offset offered by Boeing for AEWs and Lockheed-California for its P-3 AEW system. Grumman said yesterday that it was "seriously considering" increasing the offset share. All contenders for the future British AEW programme, even GEC which holds the present contract, see it as a stepping stone to a wider world AEW market. Given the range limitations on its Hawkeyes, Grumman said yesterday it had proposed to BAe that, if they jointly win the British contract, BAe should consider either reopening the Nimrod production line or consider using the Airbus, partly built by BAe, as a platform for Grumman radar. A further complication for the UK Ministry of Defence in sifting the various bids has been objections by continental European countries that the ultra-high frequency (UHF) radar, offered by Grumman and Lockheed, would interfere with local broadcasting. The S-band radar used by Boeing and GEC already has a European-agreed frequency. Last week a US Navy Hawkeye was monitored by UK Defence Ministry specialists in two days of flights off Britain's North Sea coast. Grumman said the test showed no major interference but the Ministry of Defence refused to comment on the results. Grumman admits similar tests might have to be conducted for the benefit of other littoral states - Norway, Denmark, West Germany, the Netherlands, Belgium and France. However, the US company stressed the operational merits of its UHF radar. It would be better than its S-band rival in crowded UK airspace and over the stormy North Sea, Grumman claimed.

POLICE WORK ON BOMB THEORY IN SHOP EXPLOSION

Iran linked with London blast

BY RICHARD JOHNS

THE UK's already uncertain and somewhat fraught relations with Iran could be seriously strained by the investigations into an explosion which destroyed a shop in the west end of London killing the son of a leading émigré critic of the Ayatollah Khomeini's regime. Police in London said that they assumed the blast in High Street, Kensington, on Tuesday afternoon, which also injured 12 people, had been caused by a bomb and not a gas leak. Up until last night, however, no parts of an explosive device had been found and police were still

digging to find the seat of the explosion. The dead man was Mr Bijan Fazeli, 23, the son of Mr Reza Fazeli, a leading actor and writer who was active in Iran during the late Shah's rule. Mr Reza Fazeli owned the shop which specialises in Iranian video-tape productions including those produced by himself. His films have been smuggled into Iran and extensively copied there, according to Iranian exiles. They are described as highly satirical in lampooning the spiritual leader of the Islamic Revolution and senior clerics.

Both the Iranian Embassy in London and the Islamic Republic newsagency were quick to attribute blame. They said that the incident resulted from a failed attempt by "counter-revolutionary Iranians" to blow up the nearby Iranian consulate in Kensington Court which backs on to Kensington High Street. Mr S. Kassai, head of information at the Iranian Embassy, said: "We have received information that an unidentified group was intending to carry out a terrorist act on

the Iranian Embassy. According to our report, the one who wanted to put the bomb in the consulate was himself a victim of his own terror." The embassy linked the incident to the recent explosions in Iran. A man interviewed on breakfast television yesterday in silhouette and described merely as "Mohammed" claimed to be a friend of Mr Bijan Fazeli. "He was clearly upset because he told me of the threats and abuse and trouble making by Iranian embassy staff in London, which he said was never-ending."

Software group lifts safeguards on copying

By David Thomas

ASHTON-TATE, one of the world's leading business software companies, is removing copy protection devices from its main products. This decision reflects more stringent legislation in many countries against the illegal copying of computer software, as well as increasing irritation by business users at the anti-copying devices used by most leading software houses. Anti-copying devices have meant that there are severe limitations on companies' ability to reproduce software packages for in-house purposes. Announcing the decision in London, Mr Cary Hobbs, Ashton-Tate managing director in the UK, said that British legislation was now a real deterrent to companies or individuals trying to market illegally copied software. Mr Hobbs disclosed that Ashton-Tate had reached seven out-of-court settlements with UK companies alleged to be pirating its software. Ashton-Tate, which is based in California, this week reported net income of \$11.8m on turnover of \$90.2m for the first half of this year. Its business is growing most rapidly outside the US; non-US sales now account for about 30 per cent of its revenue.

Print unions set to resume Wapping talks

BY PHILIP BASSETT, LABOUR EDITOR

NEWS INTERNATIONAL (NI) is to resume talks with print unions over its dispute with them on the group's operations at Wapping, east London. They will be the first talks for three months since former NI employees rejected the company's "final" £50m offer. More than 4,000 print workers lost their jobs when the group transferred production of three national newspapers to Wapping early this year from their traditional print plants in central London. Resumption of talks offers the best prospect since May of each

side securing a resolution of the bitter and protracted dispute over jobs and recognition at the company's new docklands printing plant. Talks between the company and the five print unions are likely to take place tomorrow. The way was cleared after a meeting yesterday of print union leaders with Mr Norman Willis, TUC general secretary, of the Trades Union Congress (TUC). The EETPU electricians' union reported to that meeting the company's readiness to resume talks after the union's efforts to get discus-

sions restarted. The TUC then made contact with NI, and Mr Willis then informed the full monthly meeting of the TUC general council that talks were to be resumed. The first stages of the talks are likely to be mainly exploratory, but they may not be followed immediately by substantive negotiations. Mr Tony Dabbins, general secretary of the NGA craft print union, is reluctant to enter into full discussions in advance of the annual TUC Congress in Brighton in just over a week's time. Mr Willis said after yesterday's

general council meeting that the TUC would not maintain any pre-conditions on the talks. NI is believed to have no objections to delaying any substantive discussions until after the Brighton meeting. Managers believe that any moves at the Congress - especially if the NGA persists in its attempt to secure the suspension of the EETPU over Wapping - are unlikely to affect materially the union's position. The electricians' union allowed some of its members to undertake jobs at Wapping traditionally held by print workers.

Optica air crash 'not due to malfunction'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

OPTICA Industries believes that sales prospects for its British-built Optica light observation aircraft have been enhanced significantly as a result of a government report on the aircraft which crashed in May last year. The Optica prototype was being used by police for traffic surveillance duties in Hampshire. Both the pilot and passenger, a police photographer, were killed. Subsequently, Edgley Aircraft, then the manufacturer, went into receivership. It was rescued late last year by Mr Alan Haikney, a businessman who put in a private investment of over £1m. Mr Haikney remained the controlling interest in Optica Industries. He is now building it up, both as a manufacturer of the Optica itself, and also as a high-technology equipment subcontractor to the aerospace and other industries. The Government's report, from the Accidents Investigation Branch (AIB) of the Department of Transport, concludes that the Hampshire crash was not caused by any structural or mechanical failure of the aircraft, or to any control malfunction or jamming. The aircraft was serviceable immediately prior to impact. It suggests that the accident could have been caused by inadvertent interference with the con-

trols by the police photographer, who might have become alarmed by his apparent insecurity. The Optica's big, bulbous cockpit (which gives rise to the aircraft's nickname "Bug-eye"), can sometimes create a feeling of insecurity in passengers who are not used to the aircraft's exceptionally wide angle of vision. The AIB says that there have been several incidents where inexperienced passengers, during steep turns, have "grabbed something because of a feeling of insecurity." The report also suggests that the pilot might have been forced to descend by a partial loss of power, arising from mishandling of the fuel tank selector switch, or some other cause. Because the pilot and the passenger died in the crash, these theories cannot be proved. But the AIB suggests that the design of the Optica's fuel selector switch should be revised. Optica Industries itself believes that the report clears the aircraft and enables the company to press ahead with its sales campaigns. The Optica will be on display at the Farnborough air show from August 31 to September 7. Orders stand at 26 aircraft, at about £140,000 each and others are in negotiation.

If you think we're picky, hard-to-please perfectionists - you're right.



US insurance broker acquires John Plumer

BY NICK BANKER

ARTHUR J. Gallagher, the 11th largest insurance broker company in the US, has acquired John Plumer and Partners, the Lloyd's insurance broker. John Plumer, which was formed in 1979, made pre-tax profits last year of £2.1m. The deal will create a new Lloyd's broker, known as Gallagher Plumer, from a union between John Plumer and an existing Lloyd's broker subsidiary of the US company. Mr Colin Formby, its chairman, said he would expect its combined earnings to place the new broker among the top 25 brokers in the Lloyd's market. He said the acquisition would complement Gallagher's existing Lloyd's business, which is well-established in US property and casualty insurance. "Both our companies share common philosophies, and our combined management and staff, numbering about 180, will integrate compatibly with no overlaps." The purchase has been accomplished by the US company acquiring 100 per cent of the shares in

John Plumer, the holding company for John Plumer and Partners, in exchange for shares in the US company. It values John Plumer at £17.5m. John Plumer and Partners did about 36 per cent of its business last year in reinsurance, 16 per cent in aviation, 16 per cent in construction and 17 per cent in marine insurance. Two thirds of its business came from outside the UK. Arthur J. Gallagher, which is based outside Chicago and was founded in 1927, made a pre-tax profit of £8.6m last year. Its shares have been listed since June 1984 on the Nasdaq exchange in the US. It has 66 offices in the US and in London and has placed business in the Lloyd's market since the 1960s. Its acquisition of John Plumer, which followed more than six months of talks, is significant partly because of Arthur J. Gallagher's unusual place in the US insurance world. Forty per cent of its revenues come from fees derived from Gallagher Bassett, a subsidiary formed in 1982 to offer risk management services in addition to traditional insurance broking.

Building orders rise 1%

FINANCIAL TIMES REPORTER

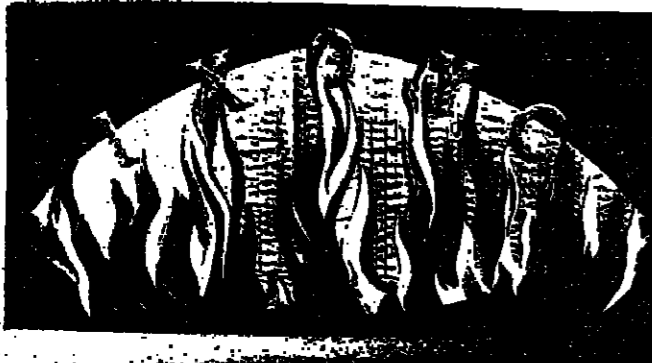
THE VALUE of new orders for construction work in the UK during the second quarter of this year was only 1 per cent higher than in the comparable part of 1985, according to figures from the Department of the Environment. Seasonally-adjusted statistics, published yesterday, show that in constant 1984 prices, orders were unchanged on the preceding three months. However, housing showed a significant improvement, with private orders up 7 per cent on the previous quarter and 14 per cent higher than in the second quarter of 1985. Public

housing orders rose by 23 per cent and 17 per cent respectively. Private industrial orders were 6 per cent lower than in the previous quarter and 20 per cent down on the second three months of 1985. The Government said yesterday that a fourth lane costing £20m would be built on one of the busiest stretches of the M25 London orbital motorway to ease the congestion which has brought strong complaints from drivers. Work on the 5.6 mile section between Chertsey and Staines, on the west side of London, will start next year after a study into the best way of carrying out the addition



Salzburg Festival/Max Loppert

Penderecki's opportunistic tour de force



Martin Copeland Jane Lemon's design for the Pentecostal frontal for St Peter's Chapel, Radley College

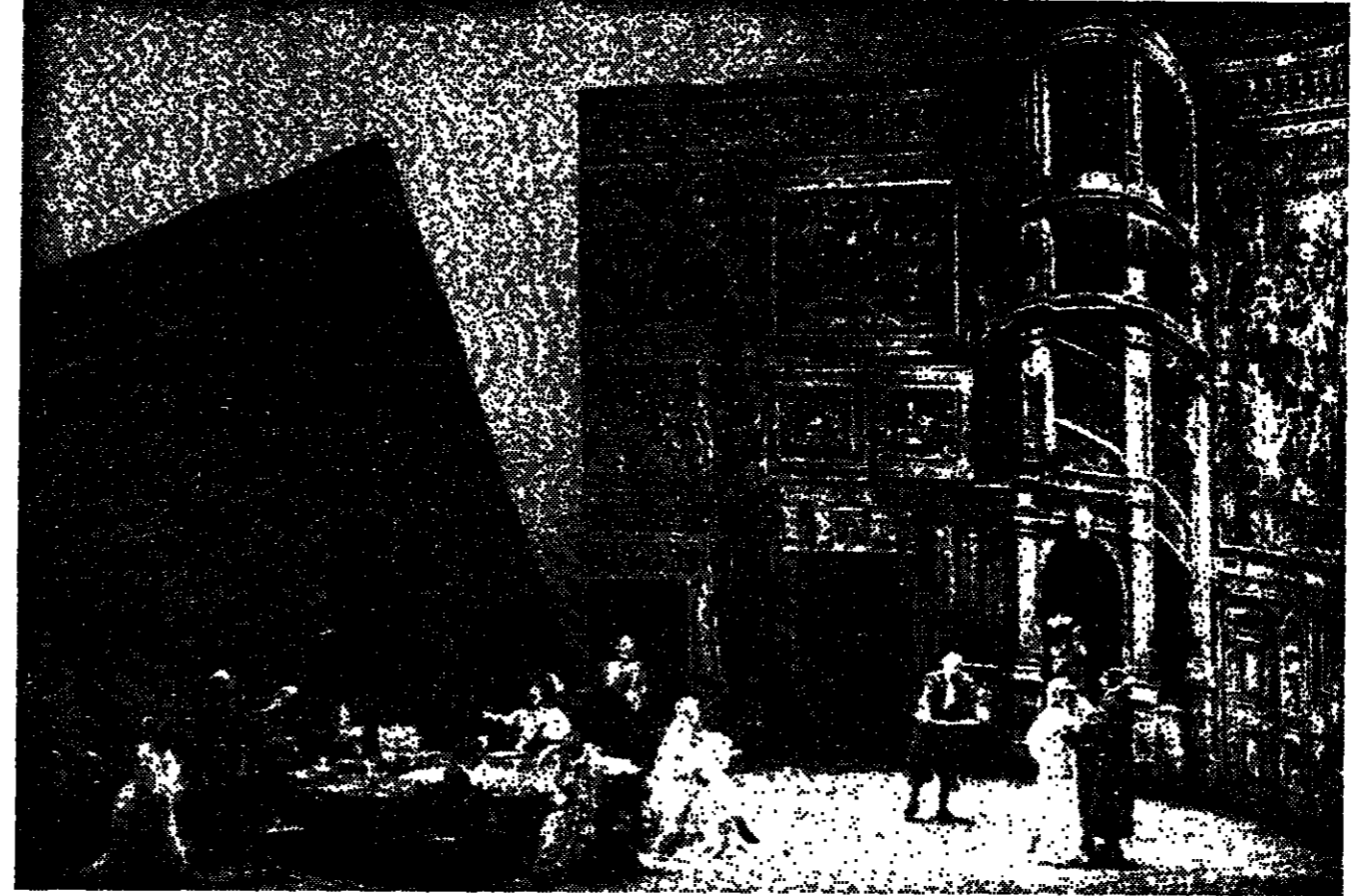
Design/Roy Strong High church art

A recent exhibition of contemporary ecclesiastical art at Hereford Cathedral was a forceful reminder of a new direction in a minor art at which this country has always excelled. The opera was celebrated throughout medieval Europe, and the Elizabethan and Jacobean ages saw a renaissance in the art. Now, over the last 25 years, there has been without doubt an equally vigorous and experimental thrust — a second renaissance in English embroidery.

Krzysztof Penderecki's third opera, The Black Mask, a long single-act, had its first performance at the Salzburg Festival last Friday. It was a big, important occasion; unlike many it was also an exciting two hours in the theatre. Penderecki has always been a composer who knows how to give an audience what it wants — in some cases, he has shrewdly guessed what an audience might want before it knew so itself — and, in answering the Salzburg commission, he plainly decided that a mixture of expressionist sensationalism, end-of-the-world anguish, black farce, phantasmagoria, and a cast of 14 main characters with murky pasts gradually revealed, would be just the thing.

Importantly, that Schuller's wealth has been gained from the slave trade, and that his wife Benigna has had a child by a black slave of her former Amsterdam husband, whom the slave had then murdered. When the man himself bursts into the house, at first as a masked figure, events build up to a dance of death from which only the Jew is spared.

but as The Black Mask might be said to combine elements of The Devils and the second Penderecki theatre-work, Paradise Lost, such a mixture of idioms is no more than basic practicality. No doubt about it, this is a virtuoso piece of writing, brisk of pace (no glances at one's watch halfway through), at once "modern" and palatable. There is something distasteful, I fear, about the use of the black man (the actor Charleston Marquis) upon whom to focus the sexual hypocrisies and even the seeping corruption of European society, but one doesn't pause to record the distaste while The Black Mask is under way.



The Black Mask set, with the mirror curtain, reflecting the scene, behind the table

He has been proved right. The musical performance, by the Vienna Philharmonic, under Woldemar Nelsson, delivered every aspect of the piece with a flourish, and the central performance by Josephine Barstow, whose previous Penderecki role was Jeanne in the ENO Devils of London, had a riveting brilliance. The Salzburg audience, not noted for its venturesomeness in the face of the unfamiliar, cheered long and heartily with just enough boos for the composer to give the appropriate frisson to the occasion.

Various town notables arrive for a feast: Gerhart's scheme of including in the party a visiting Jew, a Duke-Abbot of the Catholic Church, a Lutheran pastor, a freethinking musician, and a couple of refugee Jesuits and Huguenot servants, finds a dramatic context in which to circulate the discords of the time. Gradually the revelations come out. Most

the opera invites production wizardry, and receives it from Kupfer and designer Hans Schavernoch. A "curtain" made of a huge mirror greets the audience; as the work proceeds it swings laterally to provide one of the stage walls, and also a reflection of rich, gloomy costumes and props. Behind it, strange projections (once, I think, a vision of bombed Dresden) flare up to heighten the dramatic tension; at the end, the mirror wall swings back to face the audience with its own threat of doom, a typical Kupfer theatricalism, but exactly the sort of final theatrical seat the evening required.

considerable. The Lenten altar frontal for Salisbury Cathedral has been embroidered hooded figures; the Lenten vestment set for the same cathedral is of pulled work and couched threads on an undyed wool, with the shadow of the Cross falling across the chasuble; in sharp contrast, the altar frontal for St Peter's Chapel, Radley College, has great encrusted golden keys rising above an inverted cross and a swirl of martyrs' flames. There are other distinguished exponents of this art: Jean Panter's cope for St. Anne's Highgate has an explosion of huge scarlet and crimson poppies on a green silk with touches of gold; the Rev L. Childs has demonstrated a sophistication and elegance of design, aligned to great colour sensitivity, in the festal vestments he worked for the Bishop of Chester. The stole alone is a little masterpiece with large raised lettering in two shades of gold onto pale gold silk, reading in capitals: God is our hope and strength therefore shall we not fear.

It must be remembered that embroidery is a collaborative art, involving not only the designer, but one or more makers — though sometimes when this involves parishioners the quality of execution can fall short. The exhibition had a massive array of kneelers which showed a range of design and colour; otherwise it can easily slip over into the folkly and kitsch. Sylvia Green's kneelers for Newland, Forest of Dean, are beautiful, very much responsive to the ecclesiastical idiom, with a phoenix on one end of the Dove of the Holy Spirit, in scarlet, gold, yellow and ochre on the other.

Wilson, give us a spectacularly camp routine with simulated attempted-sex and a striptease from the henna-haired Porter, a rose clamped between his teeth. The audience, one must confess, loved it. Otherwise, reservations centre on the uneasy mixture of Ward and Shakespeare. Too often the lyricist, enamoured of those dangerous rhyming couplets, tucks into anti-climax. Luckily vitality and sheer conviction carry the day: from Michael Hobbs and Carmel O'Connor as the usurers, and the Macduffs of Lyndon Hughes — a strong, gleaming edge to his voice and an impressive presence — and Liz Carling.

As the enchantress Odie, Asymluravova registers determination rather than allure — she positively screws up her face as she hits her poses. She just about got through the infamous 32 fouettés (or 31 and a final double), as with most Soviet dancers, the turns were poorly shaped, with a kick out to the side rather than a rond de jambe, which makes for smoother execution. The management in Los Angeles paid the audience the compliment of giving out a programme sheet with accurate casting information. Not so in Philadelphia, where the programme book listed alternate "vignettes" and otherwise, as we were to see.

Summer comedy season at Richmond. This is followed on August 25 by Peter Terson's play Strippers, starring Norman Vaughan, and a visit from Ray Cooney's Theatre of Comedy Company with Wife Begins at Forty, starring Patrick Mower.

Michael Hobbs. Brian Lee's set of corrugated perspex, alarmingly steep ramp and tilted central podium that occasionally glows as if he were just under the stage, is as striking as his costume designs — modern military uniform and, for the witches, white draperies shot through with red veins. Steven Edis directs the band. However eclectic the score (rock-cum-sardonic Weill-cum-bazouki-cum "Ghost riders in the sky"), it has more urgency and sense of theatre than certain long runners south of the Euston Road.

As a consequence, many in the audience seemed to be under the impression that they were seeing Asymluravova in the "Shades" scene from La Bayadere, when it was in fact danced by the alternate, Galina Merzhanova. If they had seen Asymluravova they would surely have known the difference.

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Arts Guide August 15-21 Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday. PARIS Mediaset art in Paris: The abbots of Cluny built their magnificent late Gothic town house in the heart of the Latin Quarter on three blackened ruins of Roman baths...

ECO/Albert Hall Max Loppert The English Chamber Orchestra under Jeffrey Tate came to the Proms on Tuesday with a programme of Haydn, Schumann, and Strauss to which the players and their principal conductor ought to have been ideally well suited. Instead, the partnership seemed slightly lacklustre...

FINANCIAL TIMES

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Thursday August 21 1986

Problems of an offshore island

THE BRITISH economy is not doing particularly well at the moment, as is well known, and this fact is naturally reflected in the National Institute review...

Some improvement is expected in 1987, mainly because it is hoped that the growth of world trade will resume next year...

It is true, of course, that some observers believe that the UK scene is rather brighter than is suggested by those parts...

No winners in the Gulf war

THE FAILURE of either Iran or Iraq to secure a military breakthrough in the years of the Gulf war has placed increasingly heavy burdens on the economies of both countries...

Largely forgotten
The decision could swing either way, with Western governments having a little ability to influence the outcome...

Hostile response
During the past few months the impression has been growing (with little factual support) that Iran might be gaining the upper hand militarily...

Little has changed outwardly in Iran to cause Western governments to change their perceptions about either its domestic policies or its intention of seeking wherever possible to sponsor Islamic revolution...

AS BRITAIN'S academics research projects, and aggressive efforts to some universities to protect and market their inventions, are all a source of friction...

The shared aim is to cling to their scientific and technological lead over other western nations, particularly Japan, and the process is changing both the way the universities conduct their teaching and research...

Strong links between education and business in the US date back to the last century with the establishment of "land-grant" universities...

The collaboration was further enhanced in the years of rapid technological advance immediately after the Second World War, when the first industrial parks on the edges of university campuses were established...

But a huge increase in federal funding of research and development in the 1960s and 1980s, tough anti-trust legislation and fierce competition between different companies working at the leading edge of technology progressively weakened the ties...

Business and the campus are back in partnership

Now, a decisive shift towards defence in the growth of federal funding, Japan's rapid erosion of America's traditional scientific lead, and a relaxation of anti-trust laws have driven professors and executives back into partnership...

For the universities it has meant a rapid increase in industrial funding of research and development which has nearly doubled in real, or inflation-adjusted terms, since 1980...

In the process new industrial parks—like Research Triangle Park in North Carolina and an embryonic high- and bio-technology district centred on Pittsburgh's Carnegie-Mellon University—are being established around university campuses...

The co-operation has generally won plaudits from leaders on both sides of the fence, but it is not without its problems. The tangled relationships of university faculty members who split their time between the campus and company laboratory, industry's shorter time horizon in...

Maxwell and the Hog Farmer

"How the Hell do you talk about National Hog Farmer when someone asks you at a cocktail party?" Robert Haugan, the former chairman of the Minnesota-based Webb Printing and Publishing group, once complained to a journalist interviewing him...

Now both Haugan, aged 69, who remains a Webb director, and Sallman, aged 55, have something else to talk about—Robert Maxwell's \$111m buyout bid for the St Paul group, whose other major publications include such riveting reading as Beef, and The Family Handyman (a once-selling home improvement magazine which Haugan picked up for \$1m nine years ago, and turned into Webb's biggest magazine success).

Last month Webb's management put the 104-year-old St Paul group on the auction block and hired Shearson Lehman Brothers to find a buyer. Enter Maxwell and his British Printing and Communications Corporation, which yesterday offered to acquire Webb for \$16 a share in cash.

Maxwell recruited Jack O'Hara, the 58-year-old former chief executive of Readers Digest to mastermind the expansion of his US operations early last year.

And the day after Webb was put up for sale, the British publisher lost out in the bidding for Scientific American, a publisher of one of the world's most famous scientific magazines.

Webb has mostly been a solid if uninspiring performer. The group's revenues have grown at an annual 7.9 per cent rate over the past five years, while profits have grown at an annual 6.7 per cent despite a slight downturn last year.

But that too could be changing. Webb derives about three-quarters of its revenue not from magazine titles but from its printing presses churning out TV guides for the Midwest, Out of that total largesse...

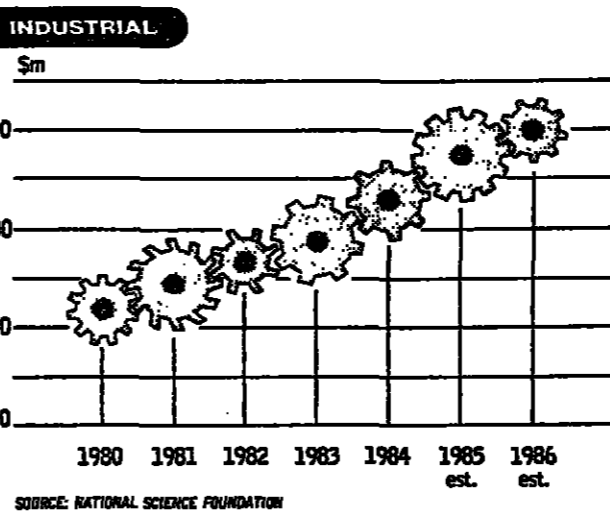
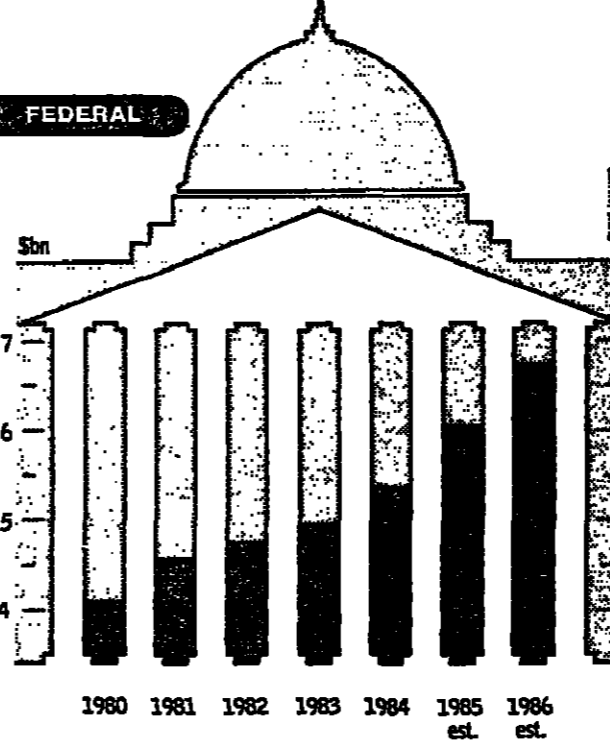
US UNIVERSITY RESEARCH

Industry foots a vital bill

By Philip Stephens in Los Angeles

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equivocal about the benefits. Mr Neils Reimers, the Office's director, says Stanford has always felt that close links to industry form an essential part of its role as they provide the channel for the university to transfer its ideas into the public domain...

At Stanford, as elsewhere in the US, much of the corporate cash is channelled into the computer science and engineering facilities, and into the biological sciences. Those fields offer companies the most direct potential for the transfers of technology from the campus to the corporate development laboratory.

Predictably among the main sponsors of university research are giants like IBM, Digital Equipment Corporation, Hewlett Packard, Monsanto and Du Pont, which aim to supplement their huge company-based research and development programmes...

standing which will be needed to produce computer chips two generations ahead of the present devices. "We are looking to the universities as a source of generalised innovation... the benefits will accrue over the next 10 years not the next six months," he adds.

As the money has flowed in, the universities have become more sophisticated in capitalising on the partnership — by hiring patent officers to protect their intellectual property rights, by establishing non-profit organisations with a stake in the commercialisation of inventions, and occasionally by inviting venture capitalists onto the campus.

In parallel there have been efforts to establish guidelines for co-operative ventures with the private sector, a process spurred by an abortive move in 1980 by Harvard to establish a profit-making company to exploit its research in recombinant DNA. That incident prompted a faculty revolt at the university and an attempt by the main campuses to establish a set of common rules to govern their relationships with industry.

Among the most important of such principles is that the university should always retain the freedom to publish the results of research, even if it is wholly funded by industry.

In some instances universities have sought to publish material under the sponsorship of a company which has been given time to assimilate the results. That typically might be between 30 and 60 days, but according to the vice-chancellor of one university: "cases where these have simply not appeared on library shelves."

In the face of strong pressure from industry, many universities have also dropped their previous insistence that they will grant only non-exclusive licences for inventions arising from joint research.

Competition for major projects is intense

companies; or faculties undercutting research and granting licences to companies in which staff have direct stakes. Most universities have regulations to keep such relationships at arm's length and there are notable examples where both sides appear to have profited. Mr Paul Djerassi, the father of the birth control pill, has successfully combined a job as professor at Stanford with an entrepreneurial career, first with Syntex and more recently with Zeecon.

There have been several instances, however, in which faculty members at major universities have muddled the line between legitimate business activity and their teaching responsibilities. In some cases, pressure from their peers has forced them to give up academic work, but the vagueness of many campus guidelines has allowed others to continue.

Despite these problems, there are few in the universities who would want, or predict, any diminution in industrial support. The links are seen in providing a vital bridge in remedying a key weakness of the past two decades—the failure of the US to translate its far-reaching discoveries into useful products while Japan has done just that.

Men and Matters



"A daughter of mine on Page Three of the Young Conservative magazine..."

Cassels can expect to be handling more than £700,000 for his, the biggest, foundation. While chairmen and boards have been appointed for each of the four foundations Cassels is the only executive director yet to be named.

As Chief of Naval Personnel, until he retired this year, he was responsible for coordinating the Royal Navy's charitable activities. That included a spell as chairman of the £15m South Atlantic Fund which was created from public donations to help those wounded or killed in the Falklands campaign, and their dependants.

He will be in a position to sound Drake's drum for the TSB charities if more support is needed. For he is also chairman of the Sir Francis Drake Heritage Appeal which is raising £500,000 to restore Drake's former west country home, Buckland Abbey.

Give and take

British crooks are adding practical psychology to their armoury.

A couple had their car stolen only to find it returned the next day. Inside was a note saying, "Sorry we had to take your car, but my wife was having a baby and we had to rush to the hospital. To compensate you for the inconvenience please accept the two theatre tickets enclosed."

The aggrieved pair were duly mollified by the gift and had a good time watching the play. When they returned to their house that night it had been ransacked from top to bottom.

Casual work

Lyons, France's south-east metropolis prides itself not only on its bome cuisine and thriving high-technology industry, but also on the smart and sober appearance of its citizenry. And that must go for taxi-drivers as well, the city insists.

Francisque Collomb, the mayor, who prefers a deep-blue suit even on the hottest of summer days, is mounting a crackdown on casual summer wear by Lyons' 1,300 cab-drivers, claiming that their shorts and T-shirts are tarnishing the city's image.

The city hall has sent a circular to drivers warning that fines will be imposed on any cabbies caught—even during the dog-days of sweltering August—not wearing long trousers and a conventional shirt.

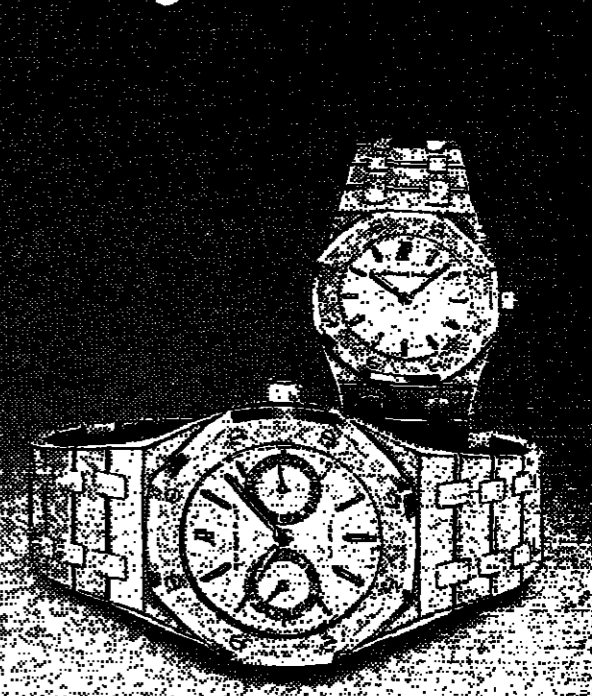
The city claims that complaints have been flooding in during the summer over taxi-drivers' relaxed garb. The mayor's staff points out that the cabbies have a role to play in Lyons' image-building.

Hair of the dog

A friend has just received a receipt for his fire insurance premium. Enclosed with it is a pack of bookmatches advertising the insurers.

Observer

The Royal Oak



Audemars Piguet is plus prestigieuse des signatures

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JOBS

How options are changing the top-pay culture

BY MICHAEL DIXON

THE RECENT dip in United Kingdom share prices was probably felt more acutely by more British company managers than any stock market slippage before. The reason lies in the startling growth over the past few years in the number of UK companies awarding share options to their top executives.

The growth is indicated by the annual surveys which the British arm of the Towers Perrin international consultancy makes of senior management rewards in almost 50 of the UK's biggest groups by turnover. The detailed results are confidential to the companies taking part. But the consultancy has this week kindly provided the Jobs column with a sketch of the broad findings on share-option awards.

The story starts with the arrival of Britain's Conservative Government in 1979.

Its Labour predecessor had discouraged the payment, over and above normal salaries, of rewards either in money or readily convertible into same. Although from the outset the Tory regime was more favourable to the payment of such rewards, it did not give outright encouragement to share option schemes in particular until 1984.

Of Towers Perrin's perennial sample of big companies, the proportion which issued stock options to senior executives in 1979 was only about one

in every 10. Even that, however, was slightly greater than the proportion which paid their high-ranked staff bonuses in cash.

Over the next four years it was the money bonuses which grew faster in popularity. In 1983 they were being paid by 42 per cent of the companies. Stock options were provided by 35 per cent.

Since then the proportion paying cash incentives has risen further from roughly two in five to more than two in three. But whereas before the Tories' encouraging measure of 1984 the stock options were provided by only about one in every three, they are now awarded by all but one company out of the entire sample and it plans to introduce them very soon.

That growth in the provision is of course impressive in its own right. Even so it tells us little about how much such options mean to an executive who enjoys them. Nor has the entire column previously gone across any estimate which enables their worth to an individual to be even crudely compared with the same person's salary and cash bonuses in terms of pounds sterling a year.

One reason for the lack of such estimates is that they could never be more than sketchy at best. After all, the value of an option cannot be decided until the time comes when it can be exercised by the purchase of

shares, and what their worth will be on the market at some date in the future simply cannot be known.

Despite such difficulties, however, Towers Perrin has been brave enough to venture a crude estimate based on its latest pay survey. Taking the stock-market prices prevailing at the time, it has calculated the rough worth in the current year of a share option typically awarded to the chief of a UK group with annual sales of about £1.5bn. The option's worth, by the way, is estimated as net of the cost to the chief of buying the shares in question.

How much?

As readers may like to guess what the annual worth figure is, I will keep it secret while giving a couple of other details to guide them. The same hypothetical but nonetheless typical big-company boss has a basic salary of £160,000 a year. Cash bonuses add a further £15,000. So how much more is represented by the share option?

The consultancy's estimate is about £100,000.

Admittedly it may be somewhat anomalously boosted to that level well over a third of the chief's £275,000 total — by the stock market boom occurring when the survey was made. But Towers Perrin's UK director John Carney says that even in less heady market conditions,

the value of the share option has lately been becoming a more and more important part of the typical British big-group boss's overall rewards.

"When the market was generally lower in 1985, the annual worth of the average major-company chief's stock option was around a quarter of the total, with cash bonuses representing about 8 per cent and salary making up the other 67 per cent," he says. "And because of that, I feel that what we have been seeing in Britain since 1984 is nothing less than a cultural change in our approach to paying our top executives."

"We seem to have split from the European tradition of rewarding them very largely by regular salary, and moved towards the United States pattern. None of the other European countries has shifted anywhere near as far. Take stock options for instance: only Belgium and France seem to encourage them even modestly."

"You have to bear in mind though that in the US the head of a £1.5bn-turnover corporation will typically have an option worth 35 per cent of the annual total, 18 per cent in cash bonuses and a mere 49 per cent in salary. Moreover, where the British equivalent is totalling about £275,000, the American will be nearer £750,000. So we're still well short of going the whole hog."

There is little doubt in Mr

Carney's mind that, in the absence of political changes to prevent it, UK companies' conversion to American executive-pay patterns is going to continue.

"Nobody would be naïve enough to think stock options are a truly fair way of tying executive rewards to executive performance. There are a great many influences outside any manager's control that may cause a company's share price to go up—and to come down, too, of course."

"The main thing options have going for them is that they're extremely tax-efficient from the company's and the executive's point of view. The UK chief with the £275,000 total will be paying income tax on the £175,000 in salary and cash bonuses, for example, but all that the rest will be liable to is capital gains tax at a far lower rate. So I'm pretty sure Britain has many more stock options to come."

But John Carney also expects that the options' effect as a motivator is likely soon to be radically changed.

So far they have largely motivated their recipients to stay working for the company which initially provided them. And the provision has often been generous.

The UK rules governing official approval of a stock option scheme require it to last for a 10-year period. Even so,

numerous companies have allowed top managers to exercise their maximum entitlement to options every three years or so. The Inland Revenue apparently sees nothing wrong with executives realising their maximum entitlement several times within the official life of a scheme.

A different view is being taken, however, among the major shareholding institutions which constitute the UK's investment protection committees. They claim that no executive should be able to exercise the maximum entitlement more than once in the scheme's 10-year duration. Since there is little chance of a major company getting a majority of its ownership to approve an option scheme against the institutional shareholders' wishes, their view on the matter seems bound to prevail.

If so, the result must surely be that highly prized executives will find they can no longer look forward to the bonanza of repeatedly exercising their maximum entitlement if they stay with the same employer. Their only hope of obtaining comparable boosts to their wealth will be to move at fairly frequent intervals to work for some other company that offers them an option scheme.

In short, as Mr Carney says: "Instead of being golden handcuffs, stock options will turn into golden hellos."

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For further details, please contact: **Tim Clarke, ACA, Judith Farmer or Robert Digby** (who can be reached outside office hours on 01-870 1896).

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Please send your curriculum vitae in confidence to:

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The Senior Partner
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or

The Senior Partner
 Penney Easton & Co.

3 St. Helen's Place, London EC3A 6AU

Den norske Creditbank PLC

International Investment Banking

Den norske Creditbank PLC has the following vacancies for two key individuals to supplement the expanding European equities business of DnC Securities Limited. Whilst the initial emphasis will remain centred on Norway and the Scandinavian economies generally, more widespread coverage of European equities is planned to follow.

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The successful applicant will have at least two years experience of European equity analysis and the ability to communicate both verbally and by writing clear, concise English. The ability to speak one or more Scandinavian languages would be an advantage but is not essential.

Manager - Dealing and Market Making

The successful applicant will have at least two years experience of profitable market making in European equities. The ability to operate individually within agreed limits is essential as is the capacity to work under pressure when necessary.

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Competitive salaries will relate to age and experience and will be augmented by the usual high level of banking benefits which will include company car and a bonus.

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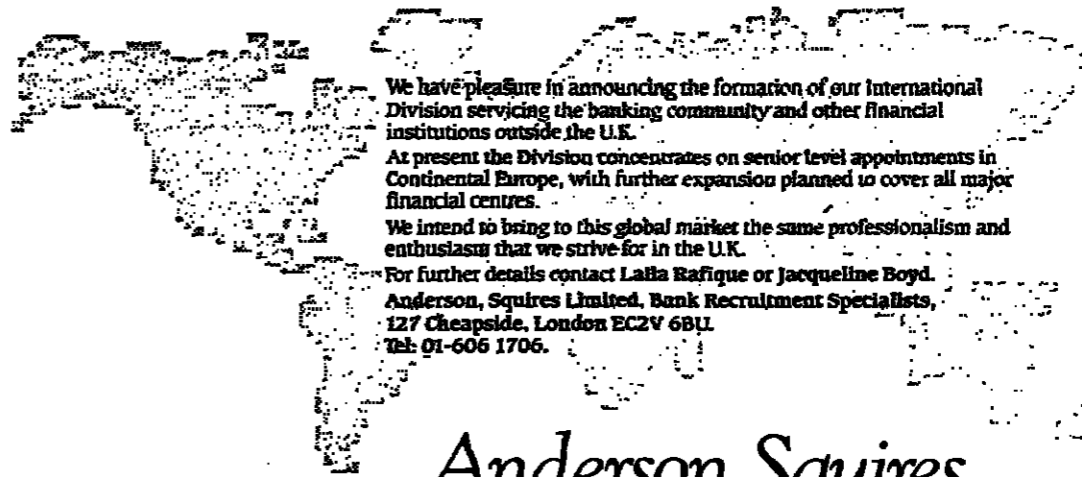
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01-248 4864

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01-248 5205

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TODAY EUROPE... TOMORROW?...



We have pleasure in announcing the formation of our International Division servicing the banking community and other financial institutions outside the U.K. At present the Division concentrates on senior level appointments in Continental Europe, with further expansion planned to cover all major financial centres. We intend to bring to this global market the same professionalism and enthusiasm that we strive for in the U.K. For further details contact Laiba Rafique or Jacqueline Boyd. Anderson, Squires Limited, Bank Recruitment Specialists, 127 Cheapside, London EC2V 6BL. Tel: 01-606 1706.

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The Managing Director
Emmerson Recruitment Associates
Bell Court House, 11 Blomfield Street, London EC2M 7QY

BANKING SELECTION 01-638 2901
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Robert Usher, Jonathan Wren International Ltd., 170 Bishopsgate, LONDON EC2M 4LX, tel: 01-623 1286, telex 6954673 WRENCO.

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Group Financial Controller - City

Salary package neg. to £40K + Car + Substantial Benefits

Our client, a leading independent underwriting Group at Lloyd's, manages syndicates in the Marine, Non-Marine, Aviation and Motor insurance markets. As a result of significant growth both of its existing business and by way of acquisition the Group has identified the need to appoint a Financial Controller for its syndicate business. Reporting to an Executive Director you will play a significant part in the control of financial staff and the monitoring of performance in an ever increasing number of managed syndicates. Candidates, unlikely to be under 30 years of age, will ideally be graduate Chartered Accountants who can demonstrate specialist Lloyd's or insurance market experience gained either in professional practice or in a commercial environment. There are excellent opportunities for career progression within this fast moving group. If you have the requisite credentials, you should send a detailed CV, including current salary to Don Day FCA, quoting reference LM5, at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NR.

Spicer and Pegler Associates
Management Services

Management Personnel

£19,000+ FULLY EXPENSED CAR + EXCELLENT BENEFITS
SYSTEMS IMPLEMENTATION IN THE FINANCIAL SECTOR
LINE PROSPECTS IN 2 YEARS

CITY MID 20's
A major and highly successful City Fund Management group is upgrading its accounting system, for which the specification and design are nearing completion. Working closely with and reporting to the Financial Director your initial responsibilities will be to implement a brand new bespoke system within the Unit Trust subsidiary. You will be, preferably, a recently qualified individual possessing a well developed knowledge of computerised accounting gained within the investment industry. Ideally you will be familiar with medium sized mainframe equipment. Write or telephone in confidence to Richard Small, Senior Consultant, quoting reference CG0257
Telephone: 01-258 6041 (out of hours 023085) 288)

10 Finsbury Square, LONDON EC2A 1AD.

EXECUTIVE SEARCH

Los Angeles-based financial institution search firm looking for individual(s) to open London office. Specialising in Senior FX, money markets and government securities sales and trading personnel.

Call or write Mark Epstein
The September Group Inc
1001 San Vicente Boulevard
Suite 100, Los Angeles, CA 90049
Tel: 213-207-0545
London interviews mid-September

INTERNATIONAL BANKING

MIDDLE EAST

A major Middle East bank is seeking a correspondent banker to manage its Banking Relations Department. Primary responsibilities include liaison with all correspondent banks, especially developing business via correspondent contacts. Demonstrated success in bank marketing and operations a must. Applicants should have three to four years' experience in this field.

Applicants apply to: Box AD213, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Tax Specialist

Hong Kong

c.£32,000 tax paid plus expatriate benefits

The HongkongBank Group is one of the world's leading financial organisations with operations in 55 countries. The Group Tax Department, located in Hong Kong, deals with the many complex tax issues arising out of such a diverse organisation and provides advice and assistance to various parts of the Group.

We now have an opportunity for an Assistant Group Tax Adviser. Key responsibilities will include improving the tax efficiency of Group operations, reviewing taxation practice world-wide, solving specific tax problems, providing up-to-date information on taxation legislation and contributing to the satisfaction of the Group's Hong Kong tax compliance requirements.

Aged 35-45 and a qualified accountant and/or lawyer, the successful candidate will ideally have an Inland Revenue background combined with considerable experience of taxation in a multinational, preferably in a financial institution. Knowledge of U.K., U.S. and European taxation and the operation of tax treaties, together with some exposure to new financial instruments are all highly desirable. The ability to communicate effectively with top management is essential as is the willingness to undertake considerable travel.

There will be an initial two-year contract, which may be converted to permanent employment by mutual agreement. In addition to the tax paid salary, generous expatriate benefits include end of contract gratuity, free fully furnished accommodation, six weeks annual leave with free air travel, children's education allowance and medical expenses.

Please write with full curriculum vitae by 5th September to:-

International Administrator,
The HongkongBank Group,
99 Bishopsgate,
London, EC2P 2LA.

HongkongBank
The Hongkong and Shanghai Banking Corporation



CINEMA INTERNATIONAL CORPORATION

International Tax

A market leader in the entertainment field, with a turnover in excess of £100m, our client is young and dynamic with a forward thinking sophisticated approach to the leisure industry. As part of their continued expansion they are currently seeking to appoint two high calibre executives for the following UK based positions within its service organisation:

Director
c£34,000 + car

Manager
to £25,000

You will control the formulation of international tax planning for the group's world wide operations. A recognised professional qualification and wide experience of international tax within a specialist division of a large firm of chartered accountants or the international tax department of a major group of companies are essential.

You will be expected to provide full technical support and assistance at Director level. You must have gained a minimum of 2-3 years post qualification experience in the tax department of a major firm, including specific exposure to the tax affairs of a multi-national group.

In addition to responsibility for the normal international tax affairs of the group there will be considerable exposure to more specific areas, particularly those of formation, acquisition and disposal of entities world wide. There will be daily US contact and significant involvement with other world wide operations. The positions will also require extensive liaison with the operating management necessitating strong interpersonal skills in the successful applicants.

The remuneration packages are excellent and will reflect the seniority of these appointments. Interested applicants should contact Jayne Thomas on 01-831 2000 or write to her, enclosing a c.v., quoting reference 7752 at the Decision Division, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

US MULTINATIONAL GROUP INVESTIGATIONS

NORTH WEST £18,000 + Car + Benefits

Our client, the successful UK subsidiary of a major Fortune 500 Corporation, holds a high market profile in the FMCG and retail sectors.

This demanding management position will provide top level exposure to the group's diverse world wide activities. The role, investigative and project based by nature, will involve extensive liaison with senior operational management.

Applicants must be under 35, hold a recognised accountancy qualification and have had extensive audit experience.

The successful candidate will possess highly developed analytical and inter-personal skills.

This key appointment carries great potential for progression within the group.

For further information please telephone Eileen Davis on 01-930 7850 or write enclosing a c.v. to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

Opportunities for Accountants in new division

Central London up to £20,000

British Telecom's International Products Division has been recently set up to take over the group's activities in the development, manufacture and overseas marketing of new high technology telecommunications products.

This has led to the creation of two positions within the division's Central Finance Department, reporting to the Chief Accountant. These new posts provide a unique opportunity to make a major, immediate and highly visible contribution to the success of the business.

Financial Accountant up to £20,000

This is a highly challenging position and the responsibilities of the successful applicant will include:

- the preparation of all consolidated financial accounts for the division, which includes UK and overseas subsidiaries and
- setting up and developing financial accounting systems.

He/she will be a graduate Chartered Accountant, ideally aged 25-30, with experience of financial

consolidation work and taxation on an international basis.

Management Accountant up to £17,000

This broad-ranging and stimulating position will cover:

- monitoring the performance of existing business
- advising on potential acquisitions and
- developing and improving management information systems.

He/she will be a graduate finalist or recently qualified member of a recognised accounting body (e.g. ACA, ACCA, ACMA). Experience of working in a commercial environment and familiarity with micro-computers are essential.

Please apply, in confidence, quoting reference 251/1 (F.A.) or 252/1 (M.A.) to Charles Barker NSL, 30 Farringdon Street, London EC4A 4EA. Tel: 01-634 1143.

British TELECOM

Financial Controller

London

c£23,000 + car + bonus

Our client is a dynamic young private company specialising in creative design services. Both profitable and highly professional, they are expanding steadily and aspire to a USM listing in the foreseeable future.

They now want to recruit a Financial Controller who will report directly to the Managing Director. As part of the company's executive team, your brief will include the development of management accounting procedures, computer based financial systems and strategic business planning. Responsible for the total finance function, you will be expected to establish a rapport with financial institutions, advise on legal matters and play an active role in the overall commercial decision making process.

Aged 27-32, you will be a qualified accountant with sound all-round experience. You must be decisive, with a good 'shirt sleeves' approach, and be capable of making a positive contribution to the future growth of the company. Experience gained in a fast moving sales/marketing environment would be an advantage.

This is a challenging opportunity and there are real prospects of a Directorship for the right candidate. The remuneration package is attractive and will include a bonus scheme.

Interested applicants should write to Barry Ollier ACA, Executive Division, enclosing a comprehensive C.V. and daytime telephone number, quoting ref. 340, at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

INTERNATIONAL CORPORATE TREASURY MANAGER

CENTRAL LONDON BASED
4 to 6 MONTHS CONTRACT
(Renewable)

Please send c.v. to:
Mrs. L. Pascock
Flat 21, 7 Princes Gate
London SW7 1QL



Financial Controller

Renishaw is one of the few really big British success stories in high technology manufacturing. The Company produces high precision measuring instruments and is now moving into the field of robotics and automated production machines.

The Financial Controller will have a vital role to play in the expansion of the Company into these new products.

Candidates must have appropriate business experience, especially in introducing accounting systems suitable both for a new enterprise and for Group requirements.

Renishaw's success stems from a high level of original research culminating in prototype production which doesn't go operational until it is proved cost effective, so budgeting and budget controls are vital to successful expansion. As is good management information and accounting analysis.

These are key management responsibilities and it is unlikely anyone under the age of 27 years will have the necessary experience. The successful candidate should have a degree in Accountancy backed by an ACA.

Salary and benefits are attractive, conditions of employment first class and a relocation package could be available if required.

If you would like to apply, please write or phone for an application form to:

R.S. Roberts, Group Personnel Manager, RENISHAW plc, Wotton-under-Edge, Gloucestershire, GL12 7DN. Telephone: 0453 842533.

RENISHAW

GROUP TAX MANAGER

Major banking and financial services group

from £25,000 + car

Our client seeks a highly qualified and widely experienced tax specialist now working either in a leading professional firm or in the head office of a major financial institution or from within the Inland Revenue.

As a key member of the group's senior finance team, the emphasis will be on strategic tax planning on a worldwide basis, group relief planning and consulting on the tax implications of ad hoc projects. Other duties will include supervision of compliance work for the group. The post will involve considerable contact with, and advice to, senior executives throughout the group.

Applicants, preferably graduate chartered accountants, must have wide practical experience of tax matters relevant to an international financial group, should have a positive commercial approach and the personal qualities necessary to contribute to group strategic planning. The salary is negotiable and there is an excellent benefits package.

Please write in confidence, with full career details, quoting reference 3972/4/L to: John W. Hills, Executive Selection Division.

PEAT MARWICK

Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

FINANCIAL DIRECTOR (DESIGNATE)

c. 25k + Car + Options

THE COMPANY: We are the Business Service Division of The Britannia Security Group plc, a USM company, committed to growth through internal expansion and acquisition. The Division comprises four trading companies covering data management, data storage, reprographics and storage systems.

THE JOB: The management of our department of eight people, responsible for all accounting functions, particularly management accounting, budgeting, variance analysis, forecasting and cash flow control. As a senior member of the management team, participation in setting and implementing Divisional policies, strategy formulation and new venture valuation will be required.

THE PERSON: Candidates should be fully qualified, with a service company background, and ideally be aged 30-40 years. Oil industry, data storage or computer industry experience would be useful, as would previous involvement in implementing a computerised accounting system.

Suitable applicants should apply in writing with full career details to:

Mrs D. Mair, Personnel Manager
KESTREL DATA (UK) LTD
28-30 Trinity Street, London SE1 4JE

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Accountancy Recruitment

West End + City Area Substantial Salary, Benefits

Hoggett Bowers, successfully floated on the USM in 1984 and continuing to achieve substantial profit growth, operates nationally at the forefront of the executive recruitment industry, providing highly professional services to a wide range of clients. Incorporated into this is the highly successful Accountancy Division, specialising in both contract and permanent appointments. Growing demand for these services has necessitated further expansion and there are now openings for additional consultants. Following an intensive training programme you will be responsible, in an environment of individual initiative and operational freedom, for the generation, recruitment assignments. If you are 26-36, have a strong sales, recruitment or accounting background and can manage a business portfolio this would be the career move you are seeking. Profit sharing is based upon individual contribution. Success however will require commitment, abundant energy and total self-motivation. If you identify with the scenario described above we would certainly like to talk to you.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to P.A. Adderley, Hoggett Bowers, Abbott House, 1/2 Hanover Street, LONDON, W2R 9WZ, 01 409 2766, quoting Ref: 1171/FT.

Accountancy Appointments

GROUP TAX MANAGER

Watford

From £25,000 + car

Our client is a substantial public group who manufactures a range of products and offers contracting services worldwide in the industrial sector of the construction industry. They now seek a well qualified and widely experienced tax manager to join the high profile central finance function.

As a key member of the group's senior management team duties will include tax compliance work both for UK based and overseas companies, the provision of corporate tax advice to management, the planning and development of the group's tax strategy to maximise the use of available reliefs and the handling of ad hoc projects. The post will involve keeping

abreast of tax development worldwide and advising group management on the tax implications of its ambitious growth strategies.

Applicants, preferably graduate chartered accountants aged 35 to 45, must have wide practical experience of corporate and personal tax matters relevant to a substantial group operating worldwide; they should have a positive commercial approach and the personal qualities necessary to contribute to group strategic planning. The salary is negotiable plus car and good benefits.

Please write in confidence with full career details, quoting reference 6394/L to John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Advertising Agency Financial Director

Our clients, a mainstream advertising group, are seeking a Financial Director for appointment to the Board of the main agency. The candidate will also have responsibility for group financial control.

Candidates should be qualified accountants aged between 30-35 years. Experience of advertising is not essential, although a "people-orientated" service industry is. Responsibilities will include regular reporting to the Board, running the accounts department (which is fully computerised) and to be involved in all aspects of the Group.

Salary will be at least £22,000 plus car and other benefits.

Please reply in the first instance to:
BERKE FINE
Dorville House, 14 John Princes Street
London W1M 9HB
Ref: MV/GH/T 1221



Financial Controller

City

c. £22,500 plus car

Our client is a London based services industry Company, with interests in property and finance. Their assets exceed £36 million and they are embarking on a progressive, £15 million development programme.

Reporting to the Chief Executive, the Controller will be required to assume responsibility for the complete financial function and to provide the information to enable the management team, of which he or she will be a key member, to make sound and innovative commercial decisions.

Key roles will be to develop the management reporting systems, control the planning and budgeting process, and make a sound commercial contribution. An important additional function will be to manage a

department of 15 including both qualified and part-qualified accountants, backed by a recently installed Wang system.

The position is an excellent opportunity for a practical, young Accountant (ideally ACA) with some post-qualification experience, who wishes to develop management ability in an interesting smaller organisation.

The attractive remuneration package includes a car, non-contributory pension and other good benefits.

Please reply in complete confidence, enclosing full career details to M. P. Hami, Bull Thompson and Associates, 63 St. Martin's Lane, London WC2N 4JX, quoting Ref. No. 1155.



CORPORATE AND RECRUITMENT CONSULTANTS

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Manager

Tunbridge Wells

£20,000, Bonus, Car

Total involvement in a hands-on challenging working environment coupled with the potential for career development in a fast-growing construction services company are the key factors of this position. Reporting to the Managing Director, responsibility will be for the total finance function with special emphasis on financial planning and reporting, the investigation and management of a fully computerised and payroll accounting system, and the preparation of feasibility studies and commercial appraisals of new ventures. Candidates aged 25-35 with high levels of drive and enthusiasm must be qualified accountants, with at least two years industrial or commercial experience.

Male or female candidates should submit in confidence a comprehensive cv or telephone for a Personal History Form to M. Gould, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R, 0WB, 01 734 6852, quoting Ref: 21059/FT.

Group Finance Director

SE England

Salary negotiable to £45K + Car

Our client is a large, well established, privately owned Housing and Estate Development Group which has enjoyed consistent profitable growth. Whilst maintaining this position the Group intends to penetrate the Commercial Development market and has identified the need for a Financial Director with strong entrepreneurial, financial and business skills to assist in this exciting stage of the Group's progress.

Reporting directly to the Chairman, and as his adviser, you will be a member of the top management team and play an important role in formulating the policy, financial strategy and planning of the Group. In addition you will be responsible for the day to day financial performance and funding requirements of the Group. Candidates, aged about 40, should ideally be graduate Chartered Accountants with an authoritative and innovative approach and possess in-depth financial and policy making experience which must have been gained at Board level, in a housing and property development environment.

Interested candidates, who match these searching requirements, should send a detailed CV, including current salary, to Don Day FCA quoting reference LM4 at Spicer and Pegler Associates, Friary Court, 65 Crutched Friars, London EC3N 2NR.



Spicer and Pegler Associates
Management Services



THE MONEY MARKET TRUST

Commercial Acumen

ACA age 26 to 30

£25,000 to £27,000 plus car

Our client The Money Market Trust is part of the 'Aller & Tokyo' money broking group offering trustee managed 'Money Funds' to corporate, brokerage, public and private cash depositors. It is a licensed deposit taker. The Trust has proved its potential in its first three years of trading achieving considerable funds under management and a firm decision has been made to expand.

To assist in this development The Money Market Trust is recruiting a Chartered Accountant to take responsibility under the Managing Director for day-to-day administrative and commercial management and to play a significant part in business growth. The role combines the need for first-class financial administration with sales and marketing in a fast moving, high pressure environment. It is a superb opportunity for a young, ambitious accountant to contribute to the building of an enterprise and share fully in the rewards of profitable trading.

Candidates will need to be able to show that they can administer accounts in the detail required to meet Bank of England requirements and that they are 'computer literate'. They will also need to demonstrate a flair for sales and marketing and have the personality to generate client confidence. Finally candidates should be convinced that they are of the calibre to progress to board level in a City financial institution.

Salary will be in the range £25,000 to £27,000 pa initially, plus car and other benefits, but candidates should expect to transfer to a performance related formula in due course. Please forward a full CV quoting reference LM7 to Terry Fuller, Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NR.



Spicer and Pegler Associates
Management Services

FINANCIAL DIRECTOR (Designate)

£18,000 c + CAR

Our client, a South Yorkshire based consumer durables manufacturer, is a subsidiary of a major group of companies whose annual turnover exceeds £500 million.

Due to internal promotion, a vacancy now exists for a Director of Finance. The successful applicant will be expected to make a key contribution to the company's profitability, growth and development, with responsibilities that are both wide ranging and executive.

Although there are no formal age limits candidates should be in their late twenties to mid forties, be professionally qualified and with significant experience in a manufacturing environment at senior executive level.

Please send full career details, under confidential cover, to Miss Jane Moore at Inform, 53 Westenhelm Road, Sheffield, S7 1LF.

INFORM
Personnel Consultants

APPOINTMENTS ADVERTISING

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Louise Hunter 01-248 4864

Jane Liversidge 01-248 5205

Daniel Berry 01-248 4782

MAJOR US ADVERTISING AGENCY

ASSISTANT INTERNATIONAL FINANCIAL CONTROLLER

Central London Age: 28-36 c. £21,000 + bonus

Due to our rapid expansion in Europe we are now seeking an accountant to join our International Financial Controller. We intend to make further acquisitions in Scandinavia and elsewhere. The ideal candidate will have:

- ★ A recognised accounting or business qualification;
- ★ A strong background in commercial accounting in a multinational environment;
- ★ Good experience of small computer systems and computer modelling;
- ★ The desire to travel extensively.

In addition it is essential that the candidate has fluency in a Scandinavian language and in English. Knowledge of French or another European language will also be useful.

The work will involve acquisition investigations, particularly in Scandinavia, the subsequent integration of acquired companies into group systems and continued review of their progress. It will also encompass the co-ordination of all the international companies including maintaining internal corporate reviews, assisting in the preparation of budgets and forecasts and writing financial reports.

Please send a comprehensive curriculum vitae showing your salary progression to date to:

Box A0237, Financial Times
10 Cannon Street, London EC4P 4BY

Financial Administration Manager

A small, fast-growing, London-based International Trading Company requires Financial Manager with sound commercial and international experience.

Must have accounting qualification. University degree, languages and overseas experience useful. Ability to manage the company, as delegated, when Managing Director is overseas.

Proven track record, leadership and management qualities to take full responsibility for finance, accounts and administration. Must accept responsibility and be able to work in an international environment and assist in building and enlarging future company strategies and team.

Would be involved in all new ventures and trading operations, providing full financial support to the company and would be expected to assist and advise in expansion of the Group's Investment Portfolio.

Must have experience in dealing with bank, credit lines, letters of credit and have good presence and mature ability to negotiate with clients and advisors. Knowledge of shipping market desirable and commodity trading useful.

Some annual mandatory travel.
Age: Candidate to be 40 or under.

Salary: £27,000-£30,000 p.a., company car plus opportunity to grow with the company.

Pension scheme and medical insurance to be introduced shortly.

Write Box A0238, Financial Times
10 Cannon Street, London EC4P 4BY

FINANCIAL CONTROLLER/DIRECTOR DESIGNATE

c. £22,000 + Benefits

London's premier metal merchants require a dedicated, determined and enthusiastic qualified accountant to play a key role in the development of an exciting group of companies. With turnover currently running at an annual rate of £12m, and rapidly rising, and a substantial interest in one of London's most prestigious property developments, this position will suit an ambitious accountant with a positive attitude to responsibility. Candidates must be qualified accountants, preferably under forty, with an ability to organise and to work under pressure. The successful candidate will be responsible for all aspects of the finance function as well as taking an active involvement in the general management of the group. He will work closely with, and report to, the Managing Director and can expect a Board appointment within the short term. Please write, enclosing a comprehensive curriculum vitae including details of present salary and day-time telephone number, to:

Nell M. Gilliam
BLEASE LLOYD & CO.
Pemberton House, 4-6 East Harding Street
London EC4A 3HY

JOHN SWIRE & SONS LIMITED



Recently Qualified Accountant

The Head Office of this international group is seeking a young qualified accountant as assistant to the Group Financial Accountant in London (currently in the City but moving to the Victoria area in 1988).

The successful applicant will be responsible for the Head Office accounts department, undertake the preparation of statutory accounts, budgets and management accounts for a number of companies and assist with the Group consolidation. A competitive salary, car and other benefits will be offered.

Write in confidence to:
J. C. Brodie, Personnel Manager
JOHN SWIRE & SONS LTD

Regis House, 43-46 King William Street, London EC4R 9BE

Accountancy Appointments

HEAD OF INTERNAL AUDIT

Key management role in new plc.

£20K + car

based Gatwick

BAA plc is one of Britain's newest public limited companies. It is due to be privatised in the first half of 1987. Through our subsidiaries, we own and manage seven major UK airports. Our commercial approach, sound business planning plus effective management, have achieved consistent profitability.

The role of Chief Internal Auditor is an influential one. Reporting directly to the Chairman you will lead a team of top-calibre audit specialists whose mission is to maximise our efficiency and effectiveness.

This is a major management challenge in which you will adopt a positive attitude towards investigating and recommending changes to management practices. It affords concentrated exposure to all aspects of our operation, a high level of visibility amongst senior decision makers and excellent opportunities for future career development.

We are looking for a qualified Accountant whose qualities of leadership are well-proven. You will be fully conversant with financial audit regulation, keenly aware of the importance of VFM and capable of managing a specialist computer audit team. Your background may be within a major firm in The Profession or the internal audit function of a large "service industry" company. Whatever your particular profile, you will be incisive, decisive and driven by the will to achieve results.

Salary will be in a range from £19,000 to £23,500 pa plus car and comprehensive benefits. If you're capable of helping us to attain even higher levels of efficiency at this most important period of our company development, please send your c.v. to:

Julie Spencer, Management Resources, BAA plc, Corporate Office, 130 Wilton Road, London SW1V 1LQ.

B.A.A. plc

Appointments on Wednesday?

From Wednesday, September 10, the General Appointments section will appear on Wednesdays.

Accountancy Appointments will continue to appear every Thursday as usual.

The reorganisation of the Appointments Pages will enable the Financial Times to offer a substantially improved service to recruitment advertisers and their audience.

Copy deadlines for the Appointments pages are 3 p.m. on the Friday of the week preceding publication for Wednesday and remain unchanged for publication on Thursday.

For more information contact—

Louise Hunter on 01-248 8000, extension 3588
Jane Liversidge on 01-248 8000, extension 4177
or Daniel Berry on 01-248 8000, extension 3456

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
LONDON · FRANKFURT · NEW YORK

Senior Financial Accountant

Join a Leader in the High Street!

c. £25,000 + Benefits

One of the U.K.'s most renowned and successful fashion retailing organisations is eager to maintain its impressive rate of growth and development across all areas of the business. This incorporates continuous evaluation of accounting methods, procedures and personnel to meet ever-changing operational requirements.

The Company has identified the need for an additional SENIOR FINANCIAL ACCOUNTANT. In this capacity, reporting to the Head of the Accounting Department and based at the Company's head office in Central London you will ultimately control, develop and be responsible for all financial accounting activities.

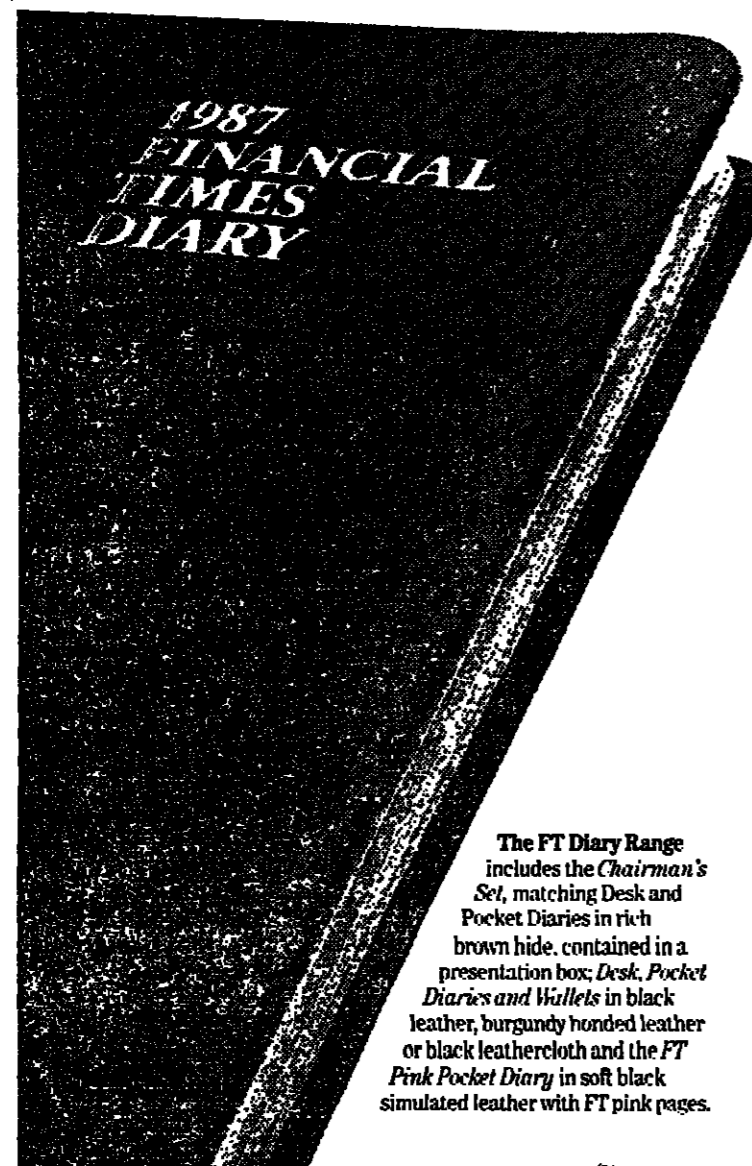
Thus, you will be able to demonstrate previous involvement in accounting and reporting financial information from within a highly systems-orientated environment, ideally in a multi-site industry sector. Professionally qualified and aged 27-42 years, you must be conversant with the assessment and development of computerised accounting systems.

In addition to a negotiable salary as indicated, other benefits include pension/life assurance scheme, annual bonus, staff discount and the security of working for an established, household name in the High Street.

If you're adaptable, courteous, totally reliable and convinced you match my client's requirements, please ring or preferably write in total confidence to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5EA. Tel: 01-439 6288.

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Then there's the FT Pocket Diary, expanded for 1987 including profiles of 26 international business centres, maps, lists of hotels and conference centres, restaurants, theatres and airports. In short, more information than ever before. And, if you want to stay ahead of the field, our new FT "Pink" Pocket Diary with its FT pink pages and unique landscape format, promises to be the most sought after pocket diary of the year.

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Telephone Celia Parkes on 01-623 1211 for information about the FT Diaries and other business gifts available from the Financial Times or use the coupon below.



FT Business Information Ltd, Minster House, Arthur Street, London EC4R 8AX

The FT Diary Range includes the Chairman's Set, matching Desk and Pocket Diaries in rich brown hide, contained in a presentation box; Desk, Pocket Diaries and Wallets in black leather, burgundy bonded leather or black leathercloth and the FT Pink Pocket Diary in soft black simulated leather with FT pink pages.



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Position: _____
Telephone: _____

IN FLIGHT INFORMATION

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Feel free to ask for your Financial Times.

International Thomson's first-half earnings slip

BY OUR FINANCIAL STAFF

INTERNATIONAL Thomson Organisation's first-half earnings have been hit by lower oil prices and the strength of the pound against the dollar. Net income for the first six months of 1986 slipped to £35m (\$52.5m), or 12p a share, from £41m, or 14p a share.

Sales for the half-year of the Toronto-based energy and travel conglomerate fell to £792m against £846m previously.

The strength of the pound against the dollar adversely affected revenues from oil and gas and North American publishing interests. Earnings for the full year are expected to be "significantly below" 1985 levels.

On the travel side the company

said that winter 1986-87 programmes had started strongly with sales "considerably above" previous corresponding levels.

Earnings from oil and gas fell "materially below" the previous year's level, the company said. Oil prices averaged £11 a barrel in the first half compared with nearly £23 a barrel for the first half of 1985, which the company pointed out, was the lowest sterling price since the end of 1979.

The travel group was well ahead of 1985 in volume terms, and profits improved even before gains from aircraft disposals and the sale of the commercial travel division of Lunn Poly.

The company said that the num-

ber of passengers carried in the first two summer months was 100 per cent above last year and aircraft load factors were 90 per cent of capacity.

Having contracted all its summer 1986 capacity Britannia Airways is benefiting from lower costs with utilisation improving to near-record levels.

Publishing and information in the UK and North America continued to generate improved operating profits. Recent acquisitions performed well.

Cordura Corporation, an information company in the automotive, electronics, and insurance fields, was acquired for US\$203m during the six months.

Zapata wins deal on \$600m of debt

By William Hall in New York

ZAPATA Corporation, a leading offshore drilling company, has won another breathing space from its bankers who have agreed to defer principal and interest payments on the group's \$600m of debt until November 15 1986.

Zapata operates one of the world's largest offshore drilling fleets and, in common with many of its rivals in the industry, has been hit by the collapse in oil prices and the dramatic drop in drilling activity. Earlier this month Zapata reported a nine-month loss of \$91.1m on revenues of \$158.9m.

Zapata was founded by Mr George Bush, the US vice-president, but he no longer has any connection with the company.

German banks double Luxembourg surplus

BY JONATHAN CARR IN FRANKFURT

THE SUBSIDIARIES of West German banks in Luxembourg doubled their pre-tax profits last year - but are still far from achieving the outstanding performance of the late 1970s.

According to the Bundesbank's latest monthly report released yesterday, pre-tax profit of the subsidiaries - expressed as a share of their balance-sheet totals - jumped from 0.80 per cent in 1984 to 0.17 per cent last year.

The result is well behind the 0.54 per cent of 1979, the last bumper year for the banks before the second oil-price shock, the economic recession and the upsurge of the debt crisis.

The Luxembourg subsidiaries lent more to problem debtor states than their parent companies in Germany, and the repercussions

emerged again in the Bundesbank's figures.

The central bank notes that the subsidiaries last year produced buoyant operating profits due partly to good results from own-account trading, improved commissions earnings and lower refinancing costs.

However, almost all this profit was fed into the banks' loan loss provisions - a total of DM 1.8bn (\$900,000m) after DM 1.6bn in 1984. "Evidently the Luxembourg subsidiaries used their good earnings position to do some catching up with their risk cover," the Bundesbank says.

It also discloses that of the 26 Luxembourg subsidiaries which, with a combined business volume of DM 150bn, account for 80 per cent of the volume of all West Ger-

man bank subsidiaries abroad only 16 produced an after-tax profit last year.

The Luxembourg subsidiaries are not only less profitable compared with their own performance a few years ago but also less profitable than West German domestic credit institutes.

Last year pre-tax profits of the domestic institutes - at 0.82 per cent of balance-sheet totals - clearly outstripped the 0.17 per cent notched up by the Luxembourg banks. In 1979 the position had been the reverse - 0.54 per cent for the Luxembourg divisions and just 0.48 per cent for the domestic banks.

The Bundesbank notes that last year the pre-tax profits of banks in West Germany rose only slightly to DM 20.6bn from DM 20.4bn in 1984.

Franded seeks to treble its capital

By David Marsh in Paris

FRANDEV, the French investment fund set up by Mr Pierre Moussa, the former chairman of the Paribas investment bank, is seeking to treble its FFr 807m (\$120m) capital to increase its financial resources in coming years.

The fund, floated on the unlisted section of the Paris stock market in June, will be seeking authorisation from shareholders on September 4 to raise its nominal capital to FFr 2.4bn over the next five years.

The fund, backed by large French institutional investors, intends to take stakes mainly in companies which will be progressively denationalised by the right-wing Government.

It hopes to make an important capital increase before the end of the year although the fund clearly will not be using up all its new capital increase limits in one step.

Franded has under its control FFr 850m in investments as the original FFr 807m capital was issued slightly above par. About half is invested so far in shares with the rest in bonds and mutual funds.

US bank drops Australian plan

BY OUR NEW YORK STAFF

BANKAMERICA, the troubled US west coast banking giant which has been hit by heavy losses and a fairly rapid turnover of its senior management team, has dropped plans to establish a retail banking network in Australia.

The decision comes less than a year after the bank was granted one of only 16 new Australian banking licences and will be seen as another sign of retrenchment in the face of serious financial problems.

Mr Paul Espie, who has been re-

sponsible for building up BankAmerica's successful Australian merchant banking operations, resigned as chief executive of BA Australia last week.

His resignation is the latest episode in an upheaval of the senior members of BankAmerica's management team.

In a joint statement issued in Australia, Mr Bevan Bradbury, chairman of Coles Myer, BankAmerica's local partner, and Mr Bill

Young, head of the US bank's international banking division, said that BA had completed a reassessment of its strategy in the Australian market.

Coles Myer, an Australian retailer, will continue as a shareholder in Bank of America Australia, and Mr Young reaffirmed Bank of America Australia had been assured of the continuing strong support of its US parent in the operation of its Australian subsidiary.

The company yesterday announced that it had signed agreements with all its lenders covering various borrowing and interest rate exchange agreements and providing Zapata with deferrals of payment obligations and covenant waivers until November 15 1986. It also announced that Manufacturers Hanover Trust, its lead bank, had agreed to provide up to \$25m for the completion of development of Zapata's Wisdom natural gas field.

Mr Ronald Lassiter, Zapata's chief executive, said yesterday that he was particularly gratified by the spirit of co-operation within the company's bank group. Zapata's shares rose by 5% to \$33 in early trading yesterday, valuing the group, which operates 18 offshore drilling rigs and has the largest US commercial fishing fleet, at \$75m.

Canon half-year profits fall 39%

BY YOKO SHIBATA IN TOKYO

CANON, Japan's leading camera and office automation equipment manufacturer, incurred a 39 per cent drop in pre-tax profits in the first half of this year to ¥13.85bn (\$1.1m). Net profits fell 9 per cent to ¥9.30bn on turnover of ¥277.59bn.

The decline in earnings was blamed on the yen's sharp appreciation, eroding sales by ¥51.5bn. During the first half, the yen averaged 170 to the US dollar compared with 254 a year earlier.

Exports for the six months in-

creased by 2 per cent to ¥207bn, accounting for 75 per cent of the total turnover. The volume of exports advanced 2 per cent from a year earlier due to sluggish domestic sales of semiconductor manufacturing equipment.

Camera sales stagnated due to weaker demand for single-lens reflex cameras, while sales of office automation equipment such as laser beam printers, facsimile and wordprocessors increased 5 per cent from a year earlier.

Canon expects the yen to average 152 to the dollar in the second half. Its exports are not fully hedged in the forward market. Sales of new electronic equipment such as electronic still cameras and colour copiers are expected to contribute to sales. As a result, annual sales are expected to remain at the previous year's level of ¥317bn.

Yearly pre-tax profits are expected to plunge 51.8 per cent from the previous year to ¥20.5bn - the first decline in 11 years.

India Fund to be raised to £75m

BY OUR FINANCIAL STAFF

A SHARE offering for the India Fund, which is being set up to facilitate foreign investment in the Indian stock market, was more than twice subscribed and is being increased to £75m from £30m.

The fund, the first means of investing in a market otherwise

closed to outsiders, had already been set about 90 per cent higher than planned after initial responses proved enthusiastic.

The unit trust is being jointly established by Merrill Lynch Capital Markets and Unit Trust of India Up to three quarters of the issue

was allotted at Merrill's discretion. Remaining shares are being allotted according to a formula giving preference to the smallest applications. Merrill aimed to tap investment interest among Indian expatriate communities. The shares are to be listed in London.

Dresser Industries, the US energy services group, lifted third-quarter net profits from \$14m, or 18 cents a share, to \$16.7m, or 24 cents, but only after a pre-tax gain of \$67.8m from the termination of pension plans. This was partially offset by a \$27m pre-tax charge for the writedown of certain oilfield assets.

Utico recovers from profits decline

BY JIM JONES IN JOHANNESBURG

UTICO HOLDINGS, the 64 per cent owned South African subsidiary of BAT Industries, has recovered from last year's sharp profit decline and expects the recovery to be maintained.

Turnover of the tobacco, snacks

and fruit juices company rose to R37.9m (\$37.9m) in the first half of this year from R35.9m in the first half of 1985. The first half's operating income before interest and tax increased to R8.06m from R4.72m, and the interim pre-tax profit was

R6.07m against R1.86m.

Last year turnover totalled R194.8m the operating profit was R9.94m and the pre-tax profit was R3.62m.


The first half's earnings have increased to 51.9 cents a share

Nokia in \$10m acquisition

By Olli Virtanen in Helsinki

NOKIA, the diversified Finnish industrial group, has bought 51 per cent of Saakobittkeiden Oy (SLO), one of Finland's manufacturers and wholesalers of electro-technical products. The acquisition is estimated to cost about \$10m.

The SLO group turnover is expected to be about FM 800m (\$180m) this year. The group has a fifth of the market of Finland's electrical-technical wholesale business. It has subsidiaries in Finland, Sweden and West Germany.



London Merchant Securities plc

has sold its shareholding in

The Winterbottom Energy Trust PLC

and its oil and gas properties in the United States

in exchange for shares of

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The undersigned assisted in the negotiations and acted as financial advisor to London Merchant Securities plc

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July 1986

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New Issue July, 1986



HISAMITSU PHARMACEUTICAL CO., INC.
(Hisamitsu Seiyaku Kabushiki Kaisha)
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U.S.\$35,000,000

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INTL. COMPANIES and FINANCE

Kenneth Gooding on the motor group's \$975m European investment
GM sets the pace with Omega

GENERAL MOTORS, the world's biggest automotive group, has spent nearly DM 2bn (\$975.6m) to bring its new executive car—to be called the Opel Omega in Continental Europe and the Vauxhall Carlton in the UK—into production at the Opel factory in Russelsheim, West Germany.

If the investment, huge even by motor industry standards, pays off, GM of Europe and Opel, its key subsidiary, will both be on track to return to profitability in 1987.

"If we get the expected sales volumes, it will be a profitable car and we will get a good pay-back," said Mr John Fleming, GM of Europe's vice president in charge of sales.

The Omega, to be launched across western Europe at the end of October, replaces the Opel Rekord. GM hopes to sell 175,000 Omega/Carlton models next year compared with 103,000 Rekord/Carltons in 1985. Rekord sales reached their peak after a body change in 1978 with 260,000 registrations that year.

Although the new model will account for only a relatively modest proportion of GM's total West European car sales in 1987 — when the group expects its registrations to improve from 1.3m this year to 1.38m — it will provide a better and more profitable sales mix.

By GM's reckoning, West European sales of executive cars of the Omega type have fallen steeply from an annual 1.5m in the late 1970s to 1.2m, but should hold at that level at least until 1990 because of the large number of attractive new entrants to the sector.

Omega competes with West German products such as the Mercedes 190, the Audi 100 and the BMW 5-series as well as



The Omega will help to give a better and more profitable sales mix

sub-assemblies about the plant; transmission manufacturing with computer-controlled production lines and processes; off-assembly-line building of the cockpit and doors and fully-automatic installation of the steering wheel, pedals and front bulkhead.

The rest of the money went on:

- A new, advanced design suspension system which GM claims gives exceptional ride and handling characteristics to the new models;
- A new range of four-cylinder engines, available in 1.8 and 2 litres with power ratings from 83 brake horse power to 122 bhp, developed from the units used in the Opel Kadett/Vauxhall Astra and Opel Ascona/Vauxhall Cavalier ranges;
- A new five-speed manual transmission, designed and built by Opel at Russelsheim.

The Russelsheim factory was one for a major overhaul and much of the new equipment is flexible enough to be used for future models. The new suspen-

tion system will be shared by the replacement for the top-of-the-range Opel Senator and the engine—mainly built at Opel's Kaiserslautern factory, but with some imports from GM's Holden in Australia—can also be used in other models.

The four-speed automatic transmission supplied by Asian Warner from Japan and recently offered as an option for the Opel Monza and Senator models is also an option for the Omega/Carlton.

Mr Fleming says the new range has better specifications than the old Rekord/Carlton models and prices will be a little higher to reflect that. There is also a wider choice of engines—including six-cylinder and specifications to help bridge the gap between the Ascona/Cavalier and the Senator.

In all, there will be 17 versions of the Omega/Carlton available, with saloon or estate car bodies, topped by a sports Omega 3000 incorporating GM's 3-litre engine and Bosch anti-lock braking (only an option on other models), which will be launched early next year.

Opel spent DM 1.8bn in 1985 and this year will spend another DM 1.2bn from its DM 6.2bn, 1985-90 investment programme. Mr Fleming says that total GM of Europe expenditure will now be a little below that of the necessary factory refurbishing and re-equipping has been completed. Investment in new products will continue at a relatively high rate, however.

GM's European operations last made a profit—\$6.3m—in 1982. Last year the net loss was \$372.1m against \$381.1m in 1984. Opel's net loss last year was DM 1.35bn, a major reduction from the DM 6.6bn in 1984 when the company was badly affected by the West German metalworkers' strike.

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Yen 20,000,000,000
State Bank of New South Wales
(A statutory corporation governed by the State Bank Act, 1981 of New South Wales)

5 7/8 per cent. Notes Due 1991

The due repayment of the Notes and the due payment of interest relating thereto are guaranteed by the Government of New South Wales.

The following have agreed to subscribe or procure subscribers for the Notes:

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| Mitsubishi Trust International Limited | Mitsui Trust International Limited |
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| Orion Royal Bank Limited | Salomon Brothers International Limited |
| Sumitomo Finance International | Sumitomo Trust International Limited |
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Application has been made to the Council of The Stock Exchange for the Notes in the denomination of Yen 1,000,000 each, with an issue price of 101 1/2 per cent., to be admitted to the Official List. Interest is payable annually in arrears on September 4, commencing on September 4, 1987.

Listing particulars relating to the State Bank of New South Wales and the Notes are available from Eutel Statistical Services Limited and copies may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including August 26, 1986 from the Company Announcements Office of The Stock Exchange and up to and including September 5, 1986 from the following:

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| State Bank of New South Wales,
State Bank Centre,
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Sydney, NSW 2000 | Cazenove & Co.,
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August 21, 1986

This announcement appears as a matter of record only.

New Issue

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J.P. Morgan & Co. Incorporated

6 3/4% Notes Due 1991

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August 1986

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CANADIAN \$75,000,000
PROVINCE OF NEW BRUNSWICK
Floating Rate Notes
due May 1994

Notice is hereby given that in respect of the Interest Period from August 21, 1986 to November 21, 1986, the Notes will carry an Interest Rate of 9 3/4% per annum. The amounts payable on November 21, 1986 against Coupon No. 10 will be Can. \$25,251 for Bearer Notes of Can. \$10,000 principal amount and Can. \$22,52 for Bearer Notes of Can. \$1,000 principal amount. Can. \$22,52 will be payable on each Can. \$1,000 principal amount of a Registered Note.

21 August, 1986
THE CHASE MANHATTAN BANK N.A.
LONDON, AGENT BANK.

MANUFACTURERS HANOVER
TRUST COMPANY
£75,000,000
Floating Rate Subordinated
Capital Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the Interest Period 20th August, 1986 to 20th November, 1986 has been fixed at 9 1/2 per cent per annum. The Coupon Amounts will be £125.24 for the £5,000 denomination and £1,252.40 for the £50,000 denomination and will be payable on 20th November, 1986 against surrender of Coupon No. 8.

Manufacturers Hanover Limited
Agent Bank

RepublicBank Corporation
US\$150,000,000
Floating Rate Subordinated Notes Due 1997

For the three months 20th August, 1986 to 20th November, 1986 the Notes will carry an interest rate of 6 1/4% per annum with an interest amount of US\$161.32 per US\$10,000 principal amount of Notes, payable on 20th November, 1986

Bankers Trust Company, London
Agent Bank

Union Bank of Norway
U.S. \$50,000,000
Floating Rate Notes due 1999

Notice is hereby given that the Rate of Interest has been fixed at 6 1/4% and that the interest payable on the relevant Interest Payment Date February 23, 1987 against Coupon No. 6 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$326.15.

August 21, 1986, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK

AIBD BOND INDICES

WEEKLY EUROPEAN EUROPE	AUGUST '86		12 MONTHS	
	Yield	Change on Week	High	Low
US Dollar	8.933	-1.380	10.840	8.932
Australian Dollar	14.476	-0.344	14.630	12.670
Canadian Dollar	10.479	-0.437	11.820	10.436
Eurodollar	6.037	0.050	6.400	5.971
Euro Currency Unit	8.371	-0.453	9.524	8.144
Yen	6.246	-0.287	7.250	6.233
Swiss	10.373	-0.537	11.932	9.751
Deutsche Mark	6.400	-0.606	7.210	6.400

Bank J. Vontobel & Co Ltd, Zurich
Telno: 012744 372 CH

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
on 18th August, 1986 U.S. \$ 142.26

Listed on the Amsterdam Stock Exchange

Information: Pierson, Haldring & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.

CITICORP BANKING CORPORATION
U.S. \$50,000,000 Floating Rate Notes due August 20, 1989

Notice is hereby given that the Rate of Interest for the period August 20, 1986 to November 20, 1986 has been fixed at 6.2625% and that the interest payable on the relevant Interest Payment Date, November 20, 1986 against Coupon No. 1 in respect of US\$10,000 nominal of the Notes will be US\$160.04.

August 21, 1986, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK

INTERNATIONAL COMPANIES AND FINANCE

Four Turkish state-owned banks may be merged

BY DAVID BARCHARD IN ANKARA

FOUR of Turkey's most important state banks, Etibank, Denizcilik Bankasi, Sumerbank and the ailing Anadolu Bankasi may be merged to form a new banking and industrial conglomerate which would then be privatised, a Turkish public sector banker said yesterday.

Mr Turpur Ozal, the Prime Minister, will make a final decision on the possible merger in October after he receives a study now being drawn up by his economic advisers. One of them, Dr Bulent Semler, is currently acting as head of Anadolu Bankasi, whose future is one of the biggest headaches the Government faces.

Formed two decades ago when the state rescued several insolvent private banks, Anadolu Bankasi has never been genuinely profitable and is currently believed to be surviving

on grants from the Treasury following bad loan decisions earlier this decade. Its branches were recently temporarily sequestered by court order when the privately owned Akbank took it to court.

The solution to Anadolu Bankasi's problems now being envisaged is to link it with intrinsically profitable state banks with substantial commercial or industrial activities behind them.

Denizcilik Bankasi controls most of the country's publicly owned shipping, while Etibank is by far the largest minerals and mining agency. Sumerbank, on which the Boston Consulting Group recently produced a report, is the country's largest textiles manufacturer but has failed to resolve such problems as its outdated machinery

and high levels of over-indebtedness.

The model for the current proposal appears to be Turkiye Is Bankasi, a large bank which straddles the boundary between the public and private sectors and controls a vast but little known industrial empire.

News that Dr Semler is at work on proposals to merge and privatise the four banks is of particular interest since it indicates that the government is contemplating altering the balance between the state and private sector banks in Turkey. At present the state's 12 banks account for nearly 70 per cent of total transactions in the Turkish banking system, even though there are 53 banks in all.

Acquisition lifts profits at Wereldhave

By Laura Raun in Amsterdam

WERELDHAVE, the Dutch investment trust, has raised investment profits by 12 per cent to Fl 29.8m (\$12.8m) in the first half of 1986, mostly through the takeover of BEVG, a small Dutch investment company.

Wereldhave's public bid recently ended successfully with acquisition of 99 per cent of BEVG, which will increase Wereldhave's investment portfolio by Fl 100m. Based in The Hague, Wereldhave already was the largest property investment company in the Netherlands, with sizeable holdings in the US as well as in Europe.

Wereldhave forecast that profits per share for all of 1986 would at least equal the Fl 10.60 of 1985. An unchanged interim dividend of Fl 4.75 per share was declared.

Sandvik ahead at half way despite fall in US sales

BY SARA WEBB IN STOCKHOLM

SANDVIK, the Swedish special steels and cutting tools group, has announced half-year profits of Skr 926m (\$136m) before appropriations and taxes, a rise of 8.4 per cent on the Skr 854m of the first half of 1985.

Involved sales rose by 2 per cent to Skr 6,830m, compared with Skr 6,820m, while order intake dropped by 3 per cent to Skr 6,550m.

The group expects to achieve the same level of earnings for the full year as in 1985.

Involved sales fell in the effect of a lower dollar. Involved sales dropped by 22 per cent in North America to Skr 921m compared with Skr 1,185m in the first half of 1985.

The group remains cautious about the West European market for the rest of the year, and feels that demand from this important market may drop. At its Cemented Carbide subsidiary, cutting tools showed a 3 per cent increase in invoiced sales and saws and tools were up 4 per cent. Invoiced sales for process systems were down 9 per cent.

Nordisk Gentofte in DKr 180m flotation

By Hilary Barnes in Copenhagen

NORDISK GENTOFTE, the world's number three insulin producer after Eli Lilly of the US and Novo, which is also Danish, launched a DKr 30m nominal B share issue yesterday to raise DKr 180m (\$23m) together with an application for a listing on the Copenhagen Stock Exchange.

Nordisk was hived off from a self-owning foundation, Nordisk Insulinlaboratorium, to become a private limited company in 1984. The new issue is its first offering to a wider public, although it made a private placement in 1985 to investors in the UK and Denmark.

Nordisk has expanded rapidly over the past 10 years, with sales of which 91 per cent are exports, accelerating from DKr 50m in 1975-76 to DKr 809m in 1985-86.

The issue prospectus predicts a 14 per cent increase in sales to DKr 922m in the current year with net profits expected to increase from DKr 75m to DKr 85m. The issue will be made by tender with a minimum price of DKr 600 per share of DKr 100.

Eurobonds firm but few new deals

BY CLARE PEARSON

MOST SECTORS of the Eurobond market were firm yesterday though only a trickle of new deals emerged, following fairly heavy issuing volume earlier in the week.

Shearson Lehman Brothers International issued the only fixed-rate dollar bond of the day, a \$200m offering for Shearson's parent company, American Express Credit Corporation. The seven-year bond is split into two \$100m tranches. One is priced at 100 1/2 with a coupon of 7 1/2 per cent and payable in full. The other bears the same coupon but has an issue price of 100 1/2, with only 10 1/2 payable for the first year.

The tranches were launched at yield spreads over US Treasury bonds of 85 and 88 basis points respectively. They both traded at discounts to issue price within the level of their total fees, although the fully-paid tranche outperformed the partly-paid tranche.

Elsewhere in the fixed-rate dollar sector, yield margins on recent issues widened. A 10-year 7 1/2 per cent issue for Inter-American Development Bank was yielding about 72 basis points over US Treasury bonds, as opposed to 55 at launch. The yield differential on De Nationale Investeringsbank's 10-year 7 1/2 per cent bond also showed a 10 basis point increase from its level at issue.

The Canadian dollar market has sustained a relatively heavy onslaught of new paper recently and yesterday the deals were moving slowly. In particular, a recent 9 per cent five-year bond for Farm Credit Corporation was quoted at a bid price of 98 1/2, as against a 100 1/2 issue price. Nevertheless, McLeod Young Weir International seemed to meet good demand for a new Can\$100m ten-year bond for Canadian National Railway. Its coupon was fixed at 9 1/2 per cent and the issue price at 101 1/2.

The French franc Eurobond market saw its 50th issue since it was reopened in April last year, and only the second

Eurosterling sector reopened

BY OUR EUROMARKETS STAFF

TRAFALGAR HOUSE, the UK construction, shipping and property company, issued a £100m 20-year Eurobond yesterday, reopening the long-dated Eurosterling market for British corporate borrowers.

The market has been closed for the last four months although eight companies, including Hansa Trust and ICI, launched long-dated deals during March and April of this year.

Yesterday's deal was triggered by the gilt market's recent bullish tone, sparked by stronger US credit markets and a firmer pound. This has enabled a recent long-dated tap stock to be absorbed.

The long-dated Eurosterling market was originally opened because of the Chancellor's surprise move in his last Budget to impose a 1/2 point stamp duty on trading in domestic loan stocks, which had been the British corporate sector's traditional source of long-term funds. It was announced at the end of April, however, that this duty would be removed from the 1986 Finance Act.

But the Eurosterling sector has other advantages over the domestic sector. Covenants are slightly less restrictive and continental buying should make an issuer's name better-known abroad. Mr David Taylor, Trafalgar House's finance director, said yesterday that these factors

GPI Leisure plans A\$100m share offer

By Alexander Nicoll

GPI LEISURE, an Australian hotel concern, is planning a \$100m share offering of which 30 per cent is being distributed from London.

Five of GPI Leisure's seven directors are also directors of Greater Pacific Investments, which plans to take 30 per cent of the issue. GPI Leisure plans to invest in the leisure industry.

The company's sole investment so far is a 49 per cent interest in Austotel Trust, with 26 per cent held by Mr Alan Bond and 25 per cent by BLM Hotels, a company associated with Mr Bruce Mathieson, who has specialised in refurbishing hotels.

Mr Mathieson and the Bond Group, which has various leisure interests, have a 10-year contract to manage Austotel's 287 hotels, which have been under Bond Group's control since it acquired Swan Brewery in 1983 and Castlemaine Toohys last year.

Austotel Trust was then set up to acquire the hotels, which are currently in New South Wales and Queensland. The offering of 100m shares at \$1 each is underwritten by Potts West Trumbull, Speidley Securities and Alexander Laing and Cruickshank, which is handling the UK portion.

Eurobonds firm but few new deals

BY CLARE PEARSON

MOST SECTORS of the Eurobond market were firm yesterday though only a trickle of new deals emerged, following fairly heavy issuing volume earlier in the week.

The Canadian dollar market has sustained a relatively heavy onslaught of new paper recently and yesterday the deals were moving slowly. In particular, a recent 9 per cent five-year bond for Farm Credit Corporation was quoted at a bid price of 98 1/2, as against a 100 1/2 issue price.

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Echo Bay lifts quarterly income

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

ECHO BAY Mines, one of Canada's leading gold producers, has lifted second-quarter earnings to C\$6.3m (US\$4.5m) from C\$5m a year ago. This brings the total for the first half of this year to C\$13.6m, or 33 cents a share, compared with C\$8m in the same period of 1985.

The good performance stems from increased gold sales in the past half-year of 141,100 oz against 123,000 oz and an average gold price received of US\$339 per oz compared with US\$321 per oz.

Echo Bay said that a feasibility study was started at the beginning of the year into a "significant" expansion of the Round Mountain operation. Given the go-ahead, this expansion should be completed in 1989. Meanwhile, commercial production at the Sunnyside gold and silver mine in Colorado is expected in the current quarter.

Metana Minerals reports from Western Australia that ore reserves at its North Mount Star prospect in the Mount Magnet area have been increased to more than 1.5m tonnes grading 4.4 g gold per tonne.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on August 20

Table with multiple columns: Currency, Issued, Maturity, Yield, etc. Includes sections for US DOLLAR, SWISS FRANC, and DEM MARK.

First stage of VW issue this autumn

By David Brown in Frankfurt

THE SUPERVISORY board of Volkswagen (VW), the West German motor vehicles group, yesterday approved plans for a 25 per cent increase in equity capital to DM 1.5bn (\$722m).

The issue of 6m non-voting preference shares, announced at the shareholders meeting in July, will reduce the public sector equity stake in the group from 40 to 32 per cent as early as this autumn, although its voting power will remain unchanged.

The nominal DM 300m issue is to be carried out in two stages. Ordinary shareholders will be offered one non-voting share for every four nominal DM 30 shares they currently hold. The remaining 2.4m shares are to be offered to the public at a later date under acceptable market conditions.

This brings the total for the first week of September. Currently, Volkswagen shares are trading at around DM 509.

Neither the Federal Government nor the State of Lower Saxony, both of which held a 20 per cent voting stake in the group, will exercise their option under the "rights issue".

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Rabobank net income shows modest rise

By Our Amsterdam Correspondent

RABOBANK, the leading Dutch co-operative bank, lifted net income by only a modest 4 per cent to Fl 346m (\$149.5m) in the first half of 1986 from Fl 333m a year earlier due to lower contributions to loan-loss reserves.

The bank expects earnings for the whole of 1986 to at least match the Fl 686m of 1985. Rabobank's first half results are in line with that of Algemeine Bank Nederland, the largest commercial bank, but far below that of Amsterdam-Rotterdam Bank and Nederlandsche Middenstands-bank.

Gross profits fell 4 per cent to Fl 694m in the first six months because of 9 per cent higher expenditures, notably for more employees and other costs. Loan-loss provisions were lowered by 18 per cent to Fl 225m.

Corporate lending, for example, expanded by 4 per cent on increasing demand from small and medium-sized businesses, especially in the agricultural sector. Rabobank, which is based in Utrecht, is the Netherlands' largest lender to the agricultural industry.

Overall revenue climbed 4 per cent to Fl 2,166m, lifted mostly by a 14 per cent rise in commission income.

U.S. \$250,000,000 Régie des installations olympiques Floating Rate Notes Due November 1994

Unconditionally guaranteed by Province de Québec

Interest Rate 6 3/4% per annum
Interest Period 21st August 1986 to 21st November 1986
Interest Amount per U.S. \$50,000 Note due 21st November 1986 U.S. \$790.63

Credit Suisse First Boston Limited Agent Bank

U.S. \$300,000,000 Scotiabank THE BANK OF NOVA SCOTIA Floating Rate Subordinated Capital Debentures Due 2085

Interest Rate 6 1/2% per annum
Interest Period 21st August 1986 to 23rd February 1987
Interest Amount due 23rd February 1987 per U.S. \$ 1,000 Debenture U.S. \$ 326.15 per U.S. \$100,000 Debenture U.S. \$326.150

Credit Suisse First Boston Limited Agent Bank

UK COMPANY NEWS

Horizon £5m in loss at midyear

Horizon Travel yesterday revealed that for the six months to May 31 1986 it had incurred a loss of £5.44m pre-tax compared with previous profits of £10.7m.

The corresponding figures, however, took in a £8.1m currency gain and a £13.7m profit on fleet re-equipment. This compared with other operating income of £2.6m.

In order that the group's financial year should more closely correspond with the holiday seasons the directors have decided to change the year-end to October 31.

They anticipated that profits for the final five months would eliminate the opening six months losses. Profits for the full 1984-85 year improved from £12.52m to £14.46m.

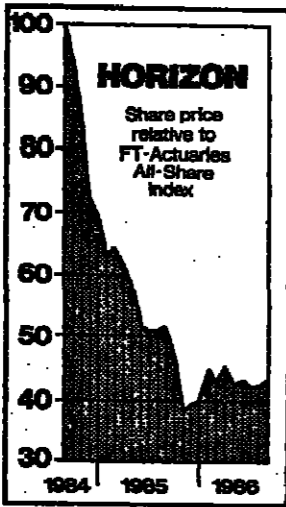
Meanwhile, the interim dividend is being held at 0.88p net. Loss per 25p share emerged at 7.0p against previous earnings of 6.5p.

The directors have embarked upon a marketing strategy focused on a substantially increasing the group's market share.

Last winter this produced an increase of 25 per cent in passengers carried to a total in excess of 145,000. Furthermore, the pursuit of this strategy had resulted in a near-doubling of bookings in the current summer, with an expected final total close to 200,000. Final load factor would be in the mid-nineties.

Intense price competition together with increased costs of supporting the expanded aircraft fleet during the winter months had had a negative effect on the results.

The first half saw turnover improve from £45.88m to £56.25m but trading losses, including interest, rose by £2.82m to £6.44m—the group's principal activities take in



inclusive air holidays, air charter operations, hotels and travel agencies. The pre-tax result also took account of a £1.6m (nil) share losses of a related company. There was a tax credit this time of £1.5m (£140,000) and minorities accounted for £3,000, against a previous £30,000. The available deficit worked through at £3.53m, compared with last time's surplus of £10.87m.

At May 31 cash in hand totalled £35.99m, an improvement of £6.62m on the comparable figure and some £10m ahead of the figure standing at November 30 1985. As previously announced, the group has established a joint venture with Singer Link Miles to develop the existing flight training facilities with the addition of a second simulator.

The partial disposal of the group's interest in the original simulator realised a profit of £2.6m. See Lex

Int. Leisure holiday bookings 75% higher

Mr Harry Goodman, chairman of International Leisure, told yesterday's annual meeting that 1.6m holidays had been sold for Summer 1986, which was 75 per cent higher than last year. This year's holiday brochure margins were lower than in 1985, but there had been significantly less discounting. Bookings for Winter 1986-87 looked "most promising."

He said profits for the year to March 31, 1987, before tax and aircraft sales, would be significantly ahead of the comparable figure for 1985-86.

Mr Goodman continued: "We are expanding our interests in resort hotels, with a further eight hotels in Spain from next April. Their capacity is already fully sold for next year, and our UK and European tour operations will help to ensure continued high occupancy levels."

He added that the group's 25 per cent participation in the new Spanish charter airline, Air Europa, was a major strategic step, and its capacity for this winter was fully contracted.

First half downturn for Dewey Warren

Dewey Warren Holdings, USM-quoted Lloyd's insurance broker, suffered a downturn in pre-tax profits from £799,000 to £269,000 in the six months ended June 30, 1986. The directors, who said they did not consider the payment of an interim dividend to be justified, believed that the pre-tax result for the full year would be less than for the first six months. For 1985 pre-tax profits were £1m (£1.18m) and a total dividend payment of 7.5p was made, including an interim of 2.5p.

The reasons for the fall in profits became apparent at the end of 1985, the directors stated. These were a reduction in brokerage from accident and health reinsurance, the company's largest source, the comparative weakness of the US dollar in which 76 per cent of the com-

pany's income was received, and the rising cost of professional liability insurance which the company had to carry.

They said that cost economies had been and continued to be made, though the full effect might not be seen until 1987. Dewey had also closed its US casualty operations which had not produced satisfactory results. Increases in its underwriting business had been achieved, however, in direct marine, marine and non-marine excess of loss and European treaty reinsurance. Net brokerage income for the half year fell from £1.56m to £1.32m, and administrative costs took an increased £1.33m (£1.15m). Other operating income added £22,000 (£20,000), and interest from deposits contributed a lower £271,000 (£366,000).

Britannic Assurance increases dividend

Britannic Assurance yesterday declared a higher interim dividend of 1.1p, against 9.5p. As usual the company did not give an indication of profitability at the halfway stage.

Total premium income on its industrial branch for the first six months of 1986 rose from £47.59m to £49.11m, while in the ordinary branch it rose from £15.98m to £17.86m. Premium income in the general branch was up from £8.87m to £9.78m and in unit linked it surged from £2.39m to £3.31m, which was greater than the £5.01m shown for the whole of 1985.

On the new life business side, renewal premiums in the ordinary branch totalled £4.06m (£3.64m) and in the industrial branch they were £12.67m (£12.26m). Sums assured on the ordinary side totalled £128.97m (£109.99m) and on the industrial side they amounted to £203.06m (£206.52). Single premiums for unit linked business rose from £2.39m to £3.25m.

BET GROUP'S proposed acquisition of HAT Group and Brengreen (Holdings) is not to be referred to the Monopolies Commission.

DY Davies profits surge

DY Davies, one of this year's USM recruits and the first firm of architects to obtain a Stock Exchange quotation, yesterday reported more than doubled full year taxable profits of £765,000, against £315,000.

The result was attained on turnover ahead from £3.59m to £3.73m and compared with a placing forecast of £750,000, which was made two weeks before the company's April 30 year-end. As indicated, no

dividend is being paid. The company said that the USM quotation had given it a higher profile and had assisted in obtaining prestigious new commissions.

Preliminary discussions are being held with a number of architectural practices and interior designers with a view to acquisition. The group expects in this way to expand quickly its range of services and geographical representation.

HARVARD SECURITIES GROUP PLC

—THIRD QUARTER STATEMENT—

Unaudited Group Results for nine months to 30th June, 1986	Nine months to 30th June 1986 £000	Six months to 31st March 1986 £000	Year to 30th Sept. 1985 £000
Turnover	56,410	32,376	59,428
Profit on Ordinary Activities before Taxation	1,555	926	1,545
Taxation (estimated)	(357)	(286)	(66)
Profit after Taxation	1,198	640	1,479
Dividend	(150)	(150)	(150)
Retained Profit	1,048	490	1,329
Dividend (net)	0.50p	0.50p	0.50p
Earnings per Share	4.00p	2.13p	4.93p

The results incorporate dealings up to the account ending 27th June, 1986. These are the first quarterly results to be published by the Group and therefore no comparisons are available.

"I am pleased to announce that our third quarter figures show a considerable improvement on the average for the first two quarters. Turnover for the quarter to June 1986 is up 48 per cent and pre-tax profits have followed with a rise of 36 per cent. The Group has acquired additional freehold premises and recruited more staff and the increase in performance is a direct result of these expansion plans. I see no reason why this increased level of operation should not continue."

T G Wilnot (Chairman) 12th August, 1986
For copies of this Interim Statement please ring 01-928 2661

Member of the British Institute of Dealers in Securities (BIDS)
HARVARD HOUSE - 42-44 DOUBEN STREET - LONDON SE1 0UQ

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Industrial Finance and Investment, United Packaging.

FUTURE DATES

Company	Date
Acorn Computer	Sept 1
Ling Property	Sept 30
Merton Thompson	Dec 18
and Everard	Dec 18
Mellor's International	Sept 8
Nichols (J.N.) (Vento)	Aug 22
Pactus	Sept 4
P-E International	Sept 15
Redford	Nov 27
Finlays	Sept 17
Australian Govt Securities Tr	Sept 17
Heath (Samuel)	Aug 29
Trade Promotion Services	Sept 8
Zygel Dynamics	Aug 29

TODAY

Interims—Coca-Cola, Gerfunkels Restaurants, Johnson Group Cleaners, Liberty Life Association of Africa, Queens Most Houses, Thomas Robinson, Ryan International, Scottish Agricultural Industries, Plesco—Dale Electric International.

HAMPSON INDUSTRIES PLC

Engineering and Manufacturing: Industrial Cleaning, Maintenance and Allied Services

RECORD PROFIT FOR THE THIRD YEAR IN SUCCESSION

Bonus Issue of one for ten proposed

Results to 31st March	1986	1985
Turnover	£24.6M	£22.0M
Profit before taxation	£1.72M	£1.31M
Dividend per share	1.245p	1.05p
Earnings per share	4.15p	2.90p

Extract from the Chairman's Statement: The Board will preserve a proper balance between the dividend, and the equally legitimate desire to retain funds to finance future growth, both organically and by acquisition.

Management accounts for the early months of the current year show an improvement over the equivalent period of the year under review. It is my belief that the current year will show a further increase in profits, in earnings and in dividends.

John Wardle

Copies of the Annual Report and Accounts can be obtained from the Secretary.

Hampson Court, 77 Birmingham Road, West Bromwich, West Midlands B70 6PY.

WOOLWICH EQUITABLE BUILDING SOCIETY

£200,000,000 Floating Rate Loan Notes Due 1995

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three monthly interest period from (and including) 19th August, 1986 to (but excluding) 19th November, 1986, the Notes will carry a rate of interest of 9 1/4% per cent. per annum. The relevant Interest Payment Date will be 19th November, 1986. The Coupon Amount per £10,000 will be £250.48, payable against surrender of Coupon No. 3. Hambro Bank Limited Agent Bank

Halifax Building Society

Floating Rate Loan Notes 1996

For the three month period from 20th August, 1986 to 20th November, 1986 the Notes will bear interest at the rate of 9 1/4% per cent. per annum. The Coupon amounts will be £125.24 per £5,000 Note and £1,252.40 per £50,000 Note, payable on 20th November, 1986.

Morgan Grenfell & Co. Limited Agent Bank

Scaling new heights the WHSmith way

To be successful business must respond to social change by meeting the needs of the market place. Our strategy is therefore based on a recognition that all our businesses should help our customers enjoy and benefit from their increased spare time and that we must anticipate the future direction their needs may take.

In the UK, while the core businesses have continued to prosper, specialist retail chains are being developed in related product groups. Our Price Music and the booksellers, Sherratt & Hughes, are examples.

In another field, Do It All after less than seven years is among the market leaders.

At the same time, new technology has been applied to growing our newspaper and magazine wholesale business by the introduction of computerised marketing systems to provide an even more efficient service for our newsagent customers and for publishers.

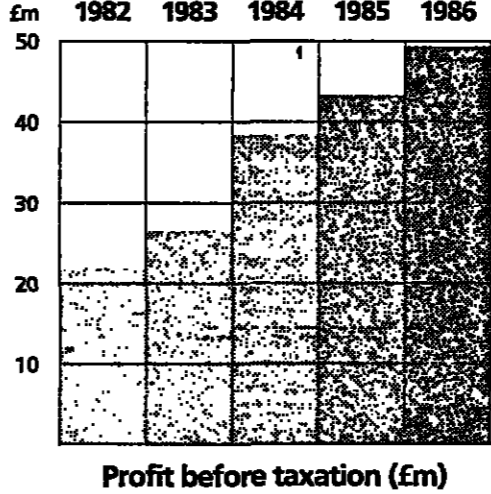
Overseas, opportunities have been taken to apply the skills learnt at home.

WHSmith is the largest bookseller in Canada. In the USA, the acquisition of Elson's has made us the leading operator of news and gift shops in hotels, airports and railway stations. More than 70 million customers a month are served.

These developments are continuing. We are opening new retail outlets around the world at the rate of three every week. And we will keep building on the strengths of our individual businesses, both now and for the future.

This philosophy has already borne fruit. Since 1981 sales have increased by 88% and pre-tax profits by 205%; earnings per share have risen over the same period by 180% to 17.2p, while the net dividend for the year of 6.0p is more than two and a half times that paid in 1981.

New heights are still to be scaled. For further information about the development of WHSmith at home and abroad, please send for a copy of the Annual Report and Accounts: write to Julian Smith, W.H. Smith & Son (Holdings) PLC., Strand House, 7 Holbein Place, London SW1W 8NR.



BOOKS FOR STUDENTS • SHERRATT & HUGHES • MUSIC MARKET • OUR PRICE • DO IT ALL • ELSON'S • WHSMITH WHOLESALE • WHSMITH

WHSMITH • WHSMITH WHOLESALE • ELSON'S • DO IT ALL • OUR PRICE • MUSIC MARKET • SHERRATT & HUGHES • TRUSLOVE & HANSON • BOOK CLUB ASSOCIATES • PAPERCHASE

WHSMITH

ATLANTA NEWS AGENCY • CELEBRATION • CLASSIC BOOKSHOPS • WHS DISTRIBUTORS • WHSMITH TRAVEL • TELEVISION SERVICES

UK COMPANY NEWS

Waterford Glass profits increase to near £9m

BY ALICE RAWSTHORN

Waterford Glass Group, manufacturers of crystal and china, announced a 33 per cent increase in pre-tax profits to £8.96m (£8m yesterday for the six months to June 30). In recent years Waterford's performance has been hampered by its unsuccessful diversification into retailing and car sales. It sold its holding in the Switzer department store, to its partner, House of Fraser, earlier this year and this week announced the disposal of the loss-making Smith motor group. "We are very pleased to be concentrating activities on crystal and china again," said Mr Anthony Brophy, Waterford's finance director. "Diversification may have made sense 12 years ago but it is out of sync" with the business today. The Switzer disposal caused turnover to fall by 94 per cent in the first half to £682.4m, although profit margins on sales doubled to 10.8 per cent. Earnings per share rose to 3.71p (2.87p) and the net interim dividend rose to 1.2p (1.0p).

In the interim period net debt was cut by £30m to £228.7m and the proceeds of the company's American Depository Shares issue on NASDAQ, the New York over-the-counter market, which fed through in July, will leave Waterford with net cash. The company is now in a position to expand through acquisition although, according to Mr Brophy, it will focus attention on complementary companies in the crystal and china field. In the first half sales of crystal and china fell in the UK and the Republic of Ireland because of the decline in US tourism. Sales were ahead of target in the US, however, and Waterford expects profits of £23m for the full year giving a prospective p/e of 13.5 on yesterday's share price of 1.14p. Acquisitions are inevitable, there are plenty of suitable targets about, but the share price will probably wait until Waterford finds the right one before it rises again.

comment
Waterford was one of the stock market's favourites until it fell from grace after its ill-fated foray into stores and cars. With the sale of Smith the new management team has finally finished its surgery work and can now focus effort and energy on developing the company; and the capital raised from the ADR issue will give it the means to do so. The benefits of more efficient production have filtered through to Waterford and the company is now tackling Aynsley's problems in the US with new products and increased investment in marketing. The City expects profits of £23m for the full year giving a prospective p/e of 13.5 on yesterday's share price of 1.14p. Acquisitions are inevitable, there are plenty of suitable targets about, but the share price will probably wait until Waterford finds the right one before it rises again.

Electron House up 66% to £681,000

IN A YEAR in which substantial acquisitions were made, Electron House yesterday reported considerable progress with pre-tax profits climbing 66 per cent from £410,000 to £681,000. Mr Robert Leigh, the chairman, said sales were now running at some five times the level of a year ago, and that gave the group the opportunity to achieve substantial growth in profits and earnings per share in the future. He said the principal reason for joining the USM last year was to facilitate growth by acquisition, and the company made three purchases—Kelvin Imper, the Facemaster Group and Surface Mounted Technology. The results of those subsidiaries had been consolidated only from the time of acquisition. And they had included in the full year to May 31, 1986, group sales for the year would have been some £23m. In the event, net turnover was up from £5.5m to £18.6m with trading profits of £681,000 (£380,000). The pre-tax figure last time was after profits of £15,000 on discontinued activities. Mr Leigh said that as a result of the Facemaster acquisition, approximately three-quarters of group sales were in franchised distribution—about half in semi-conductors. He said the semi-conductor industry had now been in a severe recession for more than a year, but although Electron was not immune from that it had maintained a better balance between the high-growth market and the more stable and specialised specialist areas, which included Australia and New Zealand. That policy had stood the group in good stead for the year under review. The final dividend is raised from 1.8p to 2p net for a total of 3.4p (1.8p), and stated earnings per share were 9.11p against an adjusted 6.19p.

Contract problems blamed for Trent's profits plunge

PRE-TAX profits at Trent Holdings, the Nottingham-based specialist door manufacturer, plunged from £875,889 to £185,300 in the year to March 31, 1986, but Mr Geoffrey Simon, the chairman, said yesterday that there were two factors which distorted the results. The first concerned a contract under which Leaderflush Doors agreed to supply a substantial quantity of high performance doors and security fittings. Technical difficulties arose with the contract, as a result of which the public authority (which was itself under contract with the now defunct Greater London Council) committed a breach of contract, and that resulted in a considerable loss of production. The damages caused have been estimated at £500,000. Although the directors were advised that there was a soundly-based claim at law for the full amount, they decided to settle the dispute by £68p (8.34p) negotiation. Negotiations were now at an advanced stage and should result in compensation of approximately 65 per cent of the estimated claim. The second factor concerned the expenditure during the year in establishing its new operation, Leaderflush Projects. It had been charged as revenue expenditure in the year covered by the current accounts. In the meantime, Mr Simon said the group had a good order book and that production targets were being met satisfactorily so as to provide customers with shorter delivery times. The results for the current period were expected to demonstrate continuing steady growth. Turnover in the year to March 31, 1986 was up from £6.24m to £6.74m. The final dividend is raised from 0.85p to 0.89p net for a total of 1.74p (1.00p). Stated earnings per share were 6.88p (8.34p).

Supra aims for a record

Supra Group, a maker of motor components, noise control products and paints, raised its interim profits by £173,000 to £662,000 from a turnover of £8.13m, against a previous £7.37m. The directors said that despite a slowdown in trading activity, they anticipated reporting record profits for the full year. All subsidiaries were enjoying strong order books. Earnings for the first half (to May 31, 1986) emerged at 2.4p (1.8p) after tax of £251,000 (£215,000), and the interim dividend is being increased from 0.8p to 1p net per 10p share—a final of 1.4p was paid for the 1984-85 year from pre-tax profits of £1.5m (£1.07m). The directors said that they were continuing to review the market place for suitable acquisitions.

US sales boost Herrburger to £0.13m

Increased keyboard business from the US was mainly responsible for a doubling of profits at Herrburger Brooks in the year to May 31, 1986. The Nottingham-based maker of piano keys and hammers lifted its pre-tax result from £55,460 to £150,890 on turnover 26 per cent ahead at £8m against £4.78m. Its ultimate holding company is Kimball International of the US. The directors said that following a review of possible areas of expansion within the woodworkings field, the company increased its manufacture of office furniture and related upholstered seating. This involved capital expenditure of £52,132 and other related costs for the year of £91,704. There had been a favourable reaction from the dealers, specifiers and designers to the new products, they added. Earnings for the year came out at 8.35p against 4.71p, after tax up from £3,444 to £8,964. Included in the profits were exchange gains of £29,701. There is again no dividend. The last payment was 1.5p for 1983-84. The company's shares rose 5p yesterday to close at 70p.

Racal confident

Racal chairman Sir Ernest Harrison told shareholders at the annual meeting that he was still confident of meeting the company's profit projections of £5m this year, rising to £20m and £36m in the following years, from its Vodafone cellular radio venture. Barker & Dobson Barker & Dobson's rights issue of 611.5m new shares was taken up as to 381.72m shares (62.4 per cent). The balance (£230.18m shares) has been sold in the market at a premium and the net proceeds will be distributed pro rata among provisional allottees of the shares not taken up. Yearling Bonds Yearling bonds totalling £2.25m at 9 1/2 per cent, redeemable on August 28, 1987, have been issued by the following local authorities: Ynys Mon Isle of Anglesey Borough Council £0.5m; Lincoln (City) £0.25m; Derwentside District Council £0.5m; Newport DC £1m.

U.S. \$200,000,000
Hydro-Québec
Floating Rate Notes, Series FY,
Due July 2002

Interest Period	21st July 1986
	21st January 1987
Interest Amount per U.S.\$10,000 Note due 21st January 1987	U.S.\$316.28

Credit Suisse First Boston Limited
Agent Bank


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Australian High Commission, Australia House, The Strand, London WC2B 4LA.



ATLANTIC COMPUTERS plc

PROVIDING TECHNICAL SUPPORT, SOFTWARE AND INNOVATIVE FINANCING SOLUTIONS FOR ALL IBM AND DEC COMPUTER SYSTEMS, AND DATA COMMUNICATIONS NETWORKS

INTERIM RESULTS

	Half Year Ended		% change
	30th June 1986	30th June 1985	
Turnover	£m 77.4	£m 55.6	+ 40%
Group Profit before taxation	8.4	7.0	+ 20%
Group Profit after taxation	8.2	6.9	+ 19%
Earnings per share	15.30p	12.84p*	+ 19%
Dividends per share	1.12p	0.56p*	+ 100%

*Adjusted for the capitalisation issue in October 1985.

John Foulston, the Chairman, reports:

- Strong demand for all our IBM Computer Systems Division's services continued with a record level of orders, while the proportion of profit before tax arising from the net movement in interest in Lessee remained below 30 per cent. Further expansion in Europe took place with the acquisition of BM Computer Systeme GmbH.
- Continued strong growth was seen within our medical equipment services subsidiary, Atlantic Medical Limited.
- A new technical centre for the Digital Computer Systems Division was completed, and the Flexlease Leasing Programme successfully introduced on the full range of DEC hardware and CSD software.

The results for the Manufacturing Division, although below budget for the period, represented excellent progress in the light of further price competition in the data communications market and our continued R & D investment in new data communications and power systems products. As a result of this investment a number of exciting new products will be announced before the end of the year.

The Group's balance sheet remains strong, with cash and unutilised bank facilities totalling in excess of £45 million.

Interim Dividend doubled from 0.56p per share to 1.12p per share.

"With record order books for this stage in the year, I view the future with confidence."

Atlantic Computers plc, Winchmore House, Feter Lane, London EC4A 1BR. Tel: 01-583 9481.
The Full Interim Statement will be sent to shareholders.

INTERNATIONAL LEISURE GROUP PLC

"Progress, development and diversification"

The International Leisure Group plc 1986 Annual Report, for the year ending 31 March, 1986 contains the following Financial Summary.

	1986	1985
	£ million	£ million
Turnover	295.0	240.7
Profit before taxation	23.5	24.8
Profit after taxation	20.3	20.0
Net assets	64.1	42.9
Earnings per share	39.3p	38.8p
Dividends per share	5.0p	4.8p
Gross gearing	1.11	1.67
Net gearing	0.27	0.73

Note: Net assets and gearing in respect of 1986 include the effects of the Rights Issue

REVIEW OF CURRENT ACTIVITIES

Tour Division: Currently 1.6 million holidays have been sold by the Group for Summer 1986, 75% higher than last year. Brochure margins are lower, but there has been significantly less discounting. Bookings for Winter '86/87 are running 60% ahead of last year. ILG has four of the top eight UK tour brands and will sell over two million holidays in total this year, raising market share to around 20%. The division will distribute more than 50 different holiday brochures to travel agents this year, giving consumers the widest possible choice. Travel agents can now book almost all ILG's brands directly through on-line terminals to the Group's data centre in Bradford. This centre also performs on-line processing of reservations and admin functions for Intasun Reisen in Germany. The acquisition of Global has given the Group an entry into the inbound tourist market, although this sector has seen a fall in volume this year following Chernobyl and the Libyan air raid.

London Hotels: The London hotel market was also affected by the fall in inbound tourism, particularly in the early part of the Summer season, but the Group's London hotels have performed well in a difficult market. Refurbishment of the New Barbican hotel has been completed, work has begun at the Grosvenor hotel, and plans are being prepared to refurbish the Charing Cross hotel. Merit Hotels has been formed to manage these hotels and the Group's plan to acquire and develop its London hotels business in the 3/4 star sector as opportunities arise.

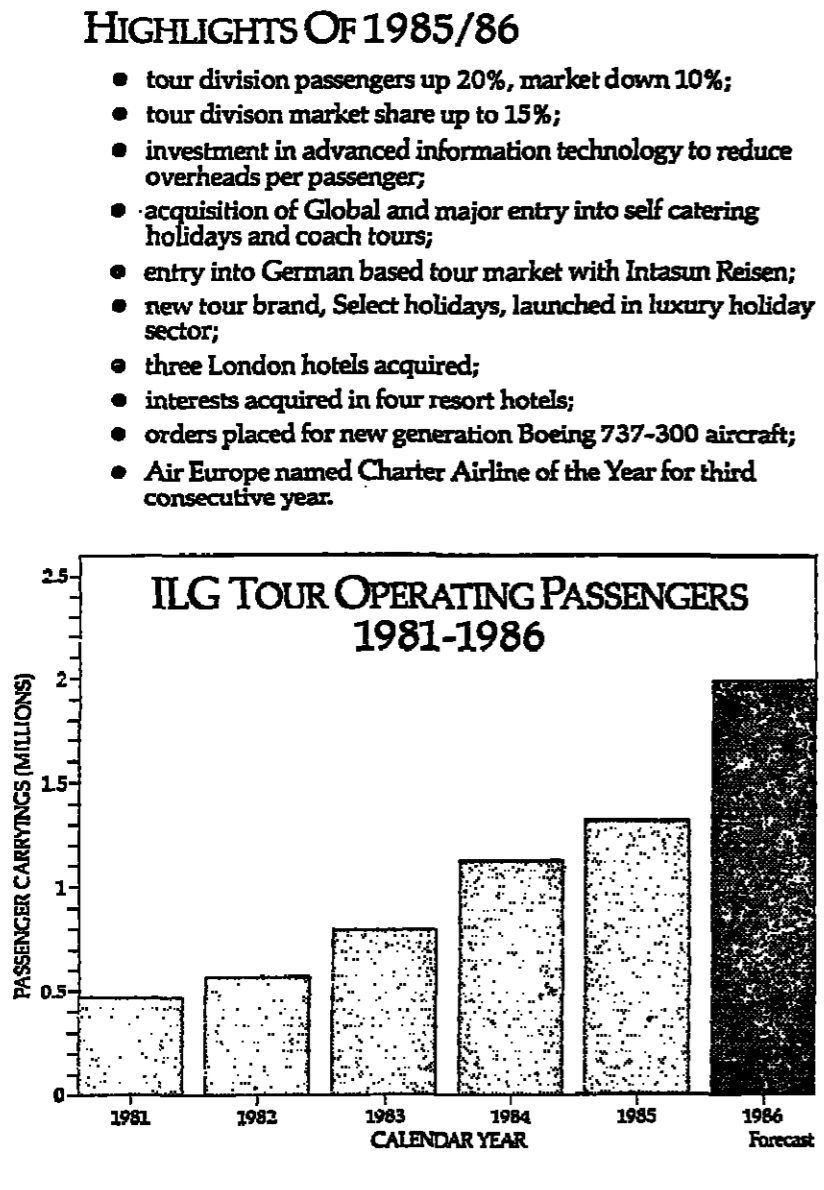
Resort Hotels: ILG's resort hotel interests will be extended from April 1987 by a further eight hotels in Spain, bringing the Group's total to 12. The Group's UK and European tour operations will help to ensure high occupancy levels.

Airline Operations: From November this year, Air Europa, a new Spanish charter airline in which ILG has a 25% interest, will operate one new generation Boeing 737-300 aircraft this Winter and three similar aircraft next Summer from Mallorca and the Canaries. Capacity for Winter '86/87 for Air Europa and Air Europe is fully contracted, and contracting is progressing most encouragingly for Summer 1987. Four Boeing 737-300 aircraft will be introduced into the Air Europe fleet in Spring 1987. Air Europe will then have a fleet with an average aircraft age of less than three years.

Profit Outlook: The controlled expansion of ILG's three divisions has been matched by a strengthening of the management team, and continuing investment in new technology and emphasis on cost reduction. Profits for the full year 1986/87, before tax and aircraft sales, will be significantly ahead of the comparable figure for 1985/86.



For a copy of the 1986 ILG Annual Report, please write to:
The Secretary, International Leisure Group plc,
Stockley House, 130 Wilton Road, London SW1V 1LQ.



EQUITIES

Table of stock prices and changes for various equities, including columns for Name, Price, Change, and Volume.

FIXED INTEREST STOCKS

Table of fixed interest stocks, including columns for Name, Price, Change, and Yield.

"RIGHTS" OFFERS

Table of rights offers, including columns for Name, Price, Change, and Yield.

Disclaimer text regarding the accuracy of the data and the responsibility of the publisher.

HOLIDAY AND TRAVEL ADVERTISING. In published on Wednesday and Saturday. For details of Advertising Rates contact: Carol Haney, Financial Times, Bracken House, 10 Cannon St., London, EC4P 4BY. Telephone: 01-248 8000. Ext. 4657.

F.T. CROSSWORD PUZZLE No. 6,105

Crossword puzzle grid with numbers indicating starting positions for words.

ACROSS and DOWN clues for the crossword puzzle. Includes clues like 'Even opposed to a good man, a social worker (8)', 'Parking a record and make a loss (8)', etc.

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts, including columns for Name, Price, Change, and Yield.

FT UNIT TRUST INFORMATION SERVICE

Large table listing FT Unit Trust Information Service, including columns for Name, Price, Change, and Yield.

Scottish Unit Managers

Table listing Scottish Unit Managers, including columns for Name, Price, Change, and Yield.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, product names, and numerical values. The table is organized into multiple columns and rows, covering a wide range of financial services.

INSURANCES

Sub-table listing insurance-related products and companies, including details like policy types and coverage information.

Worleyp Asset Management Ltd

Table listing products and services offered by Worleyp Asset Management Ltd, including various investment and insurance options.

City of Edinburgh Life Assurance

Table listing products and services offered by City of Edinburgh Life Assurance, including life insurance and investment products.

Equitable Life Ass Soc-Contd

Table listing products and services offered by Equitable Life Ass Soc-Contd, including various insurance and investment plans.

HL Samuel Life Assur Ltd

Table listing products and services offered by HL Samuel Life Assur Ltd, including life insurance and investment products.

M & G Group

Table listing products and services offered by M & G Group, including various financial and insurance services.

National Provident Institution

Table listing products and services offered by National Provident Institution, including life insurance and investment products.

Northwich Union Assurance Ltd

Table listing products and services offered by Northwich Union Assurance Ltd, including various insurance and investment options.

Prudential Assurance Co Ltd

Table listing products and services offered by Prudential Assurance Co Ltd, including life insurance and investment products.

Vertical text on the far right edge of the page, possibly a page number or reference code.

Spillio 120

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, price, and change.

Table listing insurance and overseas funds, including Fidelity International and Henderson Admin.

Table listing insurance and overseas funds, including Henderson Admin and Henderson Admin.

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Table listing insurance and overseas funds, including Henderson Admin and Henderson Admin.

MANAGEMENT SERVICES

Table listing management services with columns for company name and details.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name and details.

MONEY MARKET TRUST FUNDS

Table listing money market trust funds with columns for fund name and details.

MONEY MARKET BANK ACCOUNTS

Table listing money market bank accounts with columns for bank name and details.

Notes and disclaimers regarding the data provided in the tables.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention fears help dollar

THE DOLLAR showed little overall change after Tuesday's sharp fall amid fears of central bank intervention. There was also increased speculation that the West German Bundesbank was about to cut its discount rate...

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Aug 20, Sept, and Prev. close.

FINANCIAL FUTURES

Record volume

TRADING VOLUME in the long gilt sector rose to a record high for the second day running in the London International Financial Futures Exchange yesterday.

ahead of the release of US economic data. Afterwards it touched a high of 122.18 in extremely good two-way business...

POUND SPOT—FORWARD AGAINST POUND

Table showing pound spot and forward rates against the pound, including columns for Aug 20, Day's spread, Close, One month, % Three months, % Six months.

CURRENCY MOVEMENTS

Table showing currency movements for various countries like Sterling, US Dollar, Canadian Dollar, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing dollar spot and forward rates against the dollar, including columns for Aug 20, Day's spread, Close, One month, % Three months, % Six months.

CURRENCY RATES

Table showing currency rates for various countries like Sterling, US Dollar, Canadian Dollar, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies like £, \$, DM, Yen, etc.

OTHER CURRENCIES

Table showing other currencies like Arg/Pina, Aust/Aus, Brazil/Braz, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies like Sterling, US Dollar, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries like Belgium, Denmark, etc.

MONEY MARKETS

Bank takes out large shortage

THE Bank of England was anxious to meet a very large shortage of funds in the London money market yesterday. The situation was complicated to some extent by a growing market of opinion looking for a cut in interest rates...

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for three months and six months US dollars.

LONDON MONEY RATES

Table showing London money rates for various currencies like Sterling, US Dollar, etc.

MONEY RATES

Table showing money rates for various currencies like Frankfurt, Zurich, Amsterdam, etc.

FINANCIAL FUTURES

Table showing financial futures options for various currencies like Swiss Franc, US Dollar, etc.

PHILADELPHIA SE E/S OPTIONS

Table showing Philadelphia SE E/S options for various currencies.

CHICAGO

Table showing Chicago market data for various currencies.

LONDON

Table showing London market data for various currencies.

CURRENCY FUTURES

Table showing currency futures for various currencies like Pound, etc.

STERLING INDEX

Table showing Sterling Index values for various dates and times.

UK clearing bank base

UK clearing bank base leading rate 10 per cent since May 22. There is a credit shortage in the money market.

THE INTERNATIONAL SECURITIES HOUSE

Advertisement for The International Securities House, featuring a logo and text about their services and products.

GLOBAL TREASURY SERVICES

"Second to none"

Our story starts in 1835 when the forerunner of the ANZ Group was granted a Royal charter in London. We have been active in the City ever since.

ANZ BANK

Australia and New Zealand Banking Group Limited. Head Office: 55 Collyer Street, Melbourne, Victoria 3000.

Company Notices

COMMUNALINSTITUTET AKTIEBOLAG. On August 21 1986 bonds for the amount of L 500,000 were drawn for redemption.

CAISSE CENTRALE DE CO-OPERATION ECONOMIQUE (C.C.C.E.)

ECU 200 million. Floating Rate Notes due 2006 and 2008. Warrants to subscribe to ECU 200 million.

LIFFE-STERLING £200 000 per £

Table showing Liffe Sterling rates for various dates and times.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes sub-sections for 'Shorts (Lives up to Five Years)' and 'Over Fifteen Years'.

Table of American Funds with columns for Name, Price, Dividend, and Yield. Includes sub-sections for 'Five to Fifteen Years' and 'Over Fifteen Years'.

Table of Canadian Funds with columns for Name, Price, Dividend, and Yield.

Table of Banks, HP & Leasing with columns for Name, Price, Dividend, and Yield.

Table of Int. Bank and O's Shares with columns for Name, Price, Dividend, and Yield.

Table of Corporation Loans with columns for Name, Price, Dividend, and Yield.

Table of Commonwealth & African Loans with columns for Name, Price, Dividend, and Yield.

Table of Building Societies with columns for Name, Price, Dividend, and Yield.

Table of Public Board and Ind. with columns for Name, Price, Dividend, and Yield.

Table of Foreign Bonds & Rails with columns for Name, Price, Dividend, and Yield.

Table of Beers, Wines & Spirits with columns for Name, Price, Dividend, and Yield.

Table of Building, Timber, Roads with columns for Name, Price, Dividend, and Yield.

Table of AMERICANS with columns for Name, Price, Dividend, and Yield.

BUILDING, TIMBER, ROADS—Cont

Table of Building, Timber, Roads stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY & STORES—Cont

Table of Drapery & Stores stocks with columns for Name, Price, Dividend, and Yield.

ELECTRICALS

Table of Electricals stocks with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, Dividend, and Yield.

ENGINEERING—Continued

Table of Engineering stocks with columns for Name, Price, Dividend, and Yield.

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July 1950

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

FINANCE, LAND—Cont.

Table of finance and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

MINES—Continued

Table of mine stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

MOTORS, AIRCRAFT TRADERS

Table of motor and aircraft trader stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

FOR OIL, GAS, COAL

Table of oil, gas, and coal stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

SHIPPING

Table of shipping stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

PLANTATIONS

Table of plantation stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

TEXTILES

Table of textile stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

TOBACCO

Table of tobacco stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

MINES

Table of mine stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

INSURANCE

Table of insurance stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

LEISURE

Table of leisure stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

PROPERTY

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

INVESTMENT TRUSTS

Table of investment trusts including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

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MINES

Table of mine stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for price, change, and volume.

Notes and miscellaneous information at the bottom of the page, including company names and financial details.

LONDON STOCK EXCHANGE

Interest rate hopes stimulate Gilts and restore stability to equities

Account Dealing Dates
Opinion
*First Declara- Last Account
Dealings Dealings Day
Aug 11 Aug 28 Aug 29 Sept 8
Sept 1 Sept 11 Sept 12 Sept 22
Sept 15 Sept 25 Sept 26 Oct 6

Government stocks featured markets with another strong performance yesterday. Optimism mounted over the US authorities initiating a further round of international interest rate reductions, and period rates for credit in London continued to ease in recognition of the situation. The pressures for a cut in the Federal Reserve Board discount rate intensified after Tuesday's latest evidence of sagging US economic growth.

Glit-vedged investors were encouraged too by the exchange rate's continued firmness against the dollar. Sustained early support from domestic and foreign sources found stock in short supply, particularly of longer-dated issues since the previous session's exhaustion of bid for stock Treasury 8 1/2 per cent 2007. The possibility that the UK authorities could seize the opportunity to announce fresh funding failed to stifle interest, although price gains were eventually pared from nearly a point to 1/2.

The brighter prospects for lower bank rates found some reflection at the shorter end of the market. Turnover was moderate and below that of the 10s, which was boosted by sizeable switch operations. Index-linked were untested and stayed at Tuesday's closing levels. Leading equities were thwarted at the opening by Wall Street's easier tone overnight and by confirmation of BPCC's agreed \$555m offer for Philip Hill Investment Trust. Recent fears of the possible liquidation of the trust's investment portfolio receded after reports that the new owner was in no hurry to sell. It was said late yesterday that some stocks, including the large Beecham holding had been provisionally placed. Activity in the investment trust sector was limited as investors searched for new bid candidates but price gains were few.

Equity proceedings otherwise lacked colour, being typical of the middle strata of a slow-trading Account in the holiday season. Small sellers were active for a while but thereafter selective demand caused prices to revert gradually to their overnight positions. The FTSE 100 share index, after showing a fall of 9.4 at 9.35, closed a net 0.2 higher at 1,868.8, with the FTSE 250 recovering from 1,259.3 to end 0.6 better on the day at 1,268.4.

and General Provident Institution was on the verge of selling its 22.17 per cent stake in the company, revived with an improvement of 2 at 89p, after 80p. Hambros moved up a few pence to 216p on Prest community Elsewhere Australian banks gave ground in the wake of the country's austere Budget proposals. National Australia 18 1/2 at 197p and Westpac declined 14 at 182p. Standard Chartered softened 5 more to 717p, after 715p, following comment on the interim results and appointment of Far Eastern investors to the bank's 18-man board.

Composites continued to reflect recent Press comment. Buying ahead of their respective interim statements scheduled for September 3 helped Sun Alliance advance 25 to 682p and GRE put on 10 to 537p. General Accident improved 13 at 524p and moved up 5 at 527p. Among Lloyds brokers, Dewey Warren plummeted to a new low of 68p before closing 1/2 easier on 69p following the interim profits setback and accompanying profits warning.

German group Allianz continued to rise 6 points after a 5.85p following news of the sale of its wholly-owned Australian subsidiary. Brewers made modest progress despite a number of additional points after a neutral stance on the sector in the wake of the Monopolies Commission report into beer sales. Allied-Edwards, rising 6 points after a 5.85p following news of the sale of its wholly-owned Australian subsidiary. Brewers made modest progress despite a number of additional points after a neutral stance on the sector in the wake of the Monopolies Commission report into beer sales. Allied-Edwards, rising 6 points after a 5.85p following news of the sale of its wholly-owned Australian subsidiary.

W. H. Smith flat
Stores featured a volatile performance by W. H. Smith; up to 280p on consideration of preliminary profits in line with market expectations, the shares increased sharply to a bid of 200p per share and the close was a further 8 up at a new peak of 183p. Goode Durrant and Murray, meanwhile, continued to reflect speculation surrounding Impax Pacific's 20 per cent stake in the group and closed 5 dearer at 185p. Guinness Peat, recently supported on suggestions that the United Kingdom Temperance

FINANCIAL TIMES STOCK INDICES
Table with columns for Date, Government Secs, Fixed Interest, Ordinary P, Gold Mines, Div. Div. Yield, Earnings Yld % (incl Div), P/E Ratio (incl Div), Total Dividends, Equity Turnover, Equity Gains, Shares Traded.

speculative rise and fell 8 to 210p. Next attracted "call" option business and improved 4 to 206p, while takeover chatter again surrounded leading merchants 8 higher at 58p.

Quietly dull conditions prevailed among leading Electricals. Rael remained on offer in the wake of the annual general meeting and lost 4 more at 176p. British Telecom softened a couple of pence lower to 189p as did Plessey to 194p and STC to 145p. Elsewhere, B. J. Security Alarms reflected fading takeover hopes with a fall of 7 at 110p. Pico Systems perked up, the ordinary closing 10 dearer at 259p and the "A" 5 better at 170p.

Engineers passed an uninspiring trading session and occasional movements rarely exceeded a penny either way. Acquisition details left Brown-gear a couple of pence lower at 116p, but recent contact news prompted a further gain of 2 to 202p. G. H. Home. Neepsend revived among smaller priced issues and closed a similar amount dearer at 284p.

for its Zantac drug, fell away further to 935p before recovering to close 15 cheaper at 950p for a two day loss of 45. Hanson Trust, governed by the proposed sale of Durkac Famous Foods to Reckitt and Colman, which came hard on the heels of the paink deal with ICI, advanced 10p to 105p. Hanson Trust, governed by the proposed sale of Durkac Famous Foods to Reckitt and Colman, which came hard on the heels of the paink deal with ICI, advanced 10p to 105p.

Glaxo above worst
Glaxo, still reflecting US selling on fears of competition

Aut and Wiborg; already a few pence dearer on buying ahead of tomorrow's interim figures, the shares rose to close 10 up at 46p following an animated offer for its printing ink division from Dainippon of Tokyo. Once again the secondary issues provided the more noteworthy movements in the Property sector. Hampton Trust improved a penny to 30p, after 41p, in response to an investment recommendation, while improvements of 15 and 20 respectively were seen in Mountview Estates, 775p, and Brookmount 300p. Rosegham added 10 to 120p, while Warner at 80p, Parkdale closed a penny easier at 80p following details of the deal whereby it is acquiring a subsidiary of British Land, a portfolio of 6 freehold shops in York for 1.96m cash.

Deals in British Printing and Communication and Philip Hill Investment Trust resumed following details of the agreed takeover, which also revealed proposals for the acquisition of Webb, a US magazine publishing and printing business, dipped to 275p before recovering to 281p. Philip Hill finished a couple of pence cheaper at 321p. The development failed to inspire other Investment Trusts, although investors were clearly anticipating further rationalisation of the sector. Financials were generally subdued. Barrie Investment hardened 5 more to 161p, again reflecting hopes of a higher bid from Bestwood. Fresh speculation demand lifted London Merchant Securities 3 to 61p and the Deferred 4 to 52p; Westpac, which covered 200p, sharply increased to 1.05p.

EUROPEAN OPTIONS EXCHANGE
Table with columns for Series, Vol, Last, Bid, Ask, etc. for various European options.

TRADITIONAL OPTIONS
Table with columns for First Dealings, Last Dealings, Last Declara-Settle, For Settlement, etc.

YESTERDAY'S ACTIVE STOCKS
Table with columns for Stock, Closing, Day's change, etc.

TUESDAY'S ACTIVE STOCKS
Table with columns for Stock, Based on targets recorded in SE Official List, etc.

RISES AND FALLS YESTERDAY
Table with columns for British Funds, Rises, Falls, Same.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-sections, Index No., Day's Change, etc.

FIXED INTEREST

Table with columns for Price Indices, British Government, etc.

Oil's quiet
The strong buying of leading oils in the past couple of days was choked off by reports that the Soviet Union may sharply increase oil exports this autumn.

NEW HIGHS AND LOWS FOR 1986
Table with columns for American, Japanese, Fleming Overseas Inv, etc.

BASE LENDING RATES
Table with columns for ARN Bank, Allied Arab Bank, etc.

LONDON TRADED OPTIONS

Table with columns for Option, Calls, Puts, etc.

Spillover

WORLD STOCK MARKETS

Table with columns for country (Austria, Germany, Norway, Australia, Japan), date (Aug. 20), and price change (+ or -). Lists various stock indices and their values.

CANADA

Table with columns for stock type (Sales Stock, High, Low, Close, Change), date (Aug. 20), and price change (+ or -). Lists various Canadian stocks and their values.

Table with columns for country (Denmark, Italy, France, Netherlands, Sweden, Switzerland, Hong Kong, Singapore, South Africa), date (Aug. 20), and price change (+ or -). Lists various stock indices and their values.

Table with columns for stock type (Sales Stock, High, Low, Close, Change), date (Aug. 20), and price change (+ or -). Lists various Canadian stocks and their values.

Indices

Table with columns for index name (Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Switzerland, World), date (Aug. 20), and price change (+ or -).

OVER-THE-COUNTER

Table with columns for stock name, sales volume, high, low, last, and change. Lists various over-the-counter stocks.

NEW YORK STOCKS

Table with columns for stock type (Industrials, Transport, Trading), date (Aug. 20), and price change (+ or -). Lists various New York stocks.

STANDARD AND POORS

Table with columns for stock type (Industrials, Composite), date (Aug. 20), and price change (+ or -).

Y.S.E. ALL COMMON

Table with columns for stock type (Industrials, Long Gov Bond Yield), date (Aug. 20), and price change (+ or -).

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Table with columns for stock type (Industrials, Long Gov Bond Yield), date (Aug. 20), and price change (+ or -).

LONDON

Table with columns for stock name, price, and change. Lists various London stocks.

Weak \$ proves unsettling

Stockholm was mixed although institutional buying was strong. Sandvik, which boosted first half profits, was steady at SKR 182 while Astra dropped SKR 7 to SKR 683.

SINGAPORE

LATE buying support enabled Singapore to pick up after a bout of mid-session profit-taking and the Straits Times industrial index ended 0.11 weaker at 802.94.

CANADA

ACTIVE demand for gold issues and the metals and mines sectors helped Toronto ahead.

Hand Delivery Service advertisement for Bonn/Cologne/Düsseldorf/Eschborn/Frankfurt/Hamburg/Hessische Bergstrasse/Hoechst/Munich/Offenbach/Ruesselsheim/Stuttgart/Mienna/Germany & Austria.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock closing prices with columns for 12 Month High, Low, Stock, Div, Yld, P/E, 100s High, Low, and various price points.

Continued on Page 29

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, Open, Close, Change, and Volume. Includes sub-sections for 'Continued from Page 28' and 'Hand Delivery Service'.

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, Open, Close, Change, and Volume. Includes sub-sections for 'Continued from Page 28' and 'Hand Delivery Service'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, High, Low, Open, Close, Change, and Volume. Includes sub-sections for 'Continued from Page 28' and 'Hand Delivery Service'.

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Continued on Page 27

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Tax plan proves a bright spot

CONCERN over sluggishness in the US economy was counterbalanced on Wall Street yesterday by falls in market interest rates and also by relatively favourable reviews of the tax-overhaul plan approved last week by the House-Senate conference, writes Terry Byland in New York.

Sluggish growth in the economy was confirmed by a disclosure of a sharp drop in July housing starts. Blue chip issues moved forward, led by technology stocks which responded to favourable comments in the investment press on the implications of the new tax plan.

By mid-session, when bond prices turned higher, the stock market was extending its early gains.

But the strongest gains came in the second half of the session when major indices were boosted by strength in Sears Roebuck, IBM, Ford and USX. The Dow Jones industrial average ended a net 18.42 points up at 1881.33. NYSE turnover increased to 157.3m shares.

sheets heavy with debt burdens. Philadelphia Electric topped the NYSE actives list with 6m shares traded as several major share blocks changed hands.

But bank stocks, marked down as potential losers if the tax overhaul plan takes effect - made little headway. Bankers Trust remained unchanged at \$51. Citicorp edged up by 1/4 to \$48 1/2 and J. P. Morgan at \$93 1/2 lost 3/8. Bank America steadied by 3/4 to \$12 1/4 in thin trading.

Some Texas bank stocks advanced as the state legislature proposed to allow bank takeovers. Texas Commerce Bancshares at \$21 1/4 gained \$1.

IBM, back in favour, jumped \$2 1/4 to \$139 1/4 in another heavy trading session, to show a gain of 3.8 per cent since Friday night. Also active was Digital Equipment, up 1/2 to \$98 1/4.

Control Data at \$23 3/4 put on \$1 1/4 and Honeywell, also recovering from recent weakness, added \$1 to \$71 1/2. But Burroughs, which becomes IBM's nearest competitor now that the Sperry merger is consummated, edged up by only 5/8 to \$71 1/2.

There were signs of an investment realignment in the Detroit motor issues. Investment and motor industry analysts have become critical of General Motors' models and sales performance, and favourable towards Ford.

In another active buying session, Ford jumped \$1 1/2 to \$62 1/2 while GM lagged with a gain of only 1/4 at \$74 1/4. Chrysler regarded as a successful low cost producer, put on 1/4 to \$41.

Heading the list of active industrial stocks was USX, which bounced by \$2 1/2 to \$19 1/2, with more than 2m shares

traded by mid-session after Mr Holmes a Court, the Australian entrepreneur, disclosed plans to buy up to 15 per cent of the equity.

Suggestions that it was the Marathon Oil assets which have attracted Holmes a Court to USX encouraged the major oil stocks. Atlantic Richfield at \$55 1/2 jumped \$1 1/2, and Chevron at \$43 1/2, recouped \$1 1/4.

Aerospace and defence stocks were strong, behind Boeing's drive into both civil and military markets in Europe. At \$81 1/2, Boeing gained \$2 in brisk trading, and not far behind were McDonnell Douglas, up \$1 1/4 to \$84 1/2, Lockheed, up \$1 to \$49 1/2 and General Dynamics, up \$1 1/4 to \$73 1/2.

New takeover situations surfaced. On the OTC markets, Webb Publishing jumped \$2 1/4 to \$16, matching the minimum terms proposed by British Printing & Communications, the UK company headed by Mr Robert Maxwell.

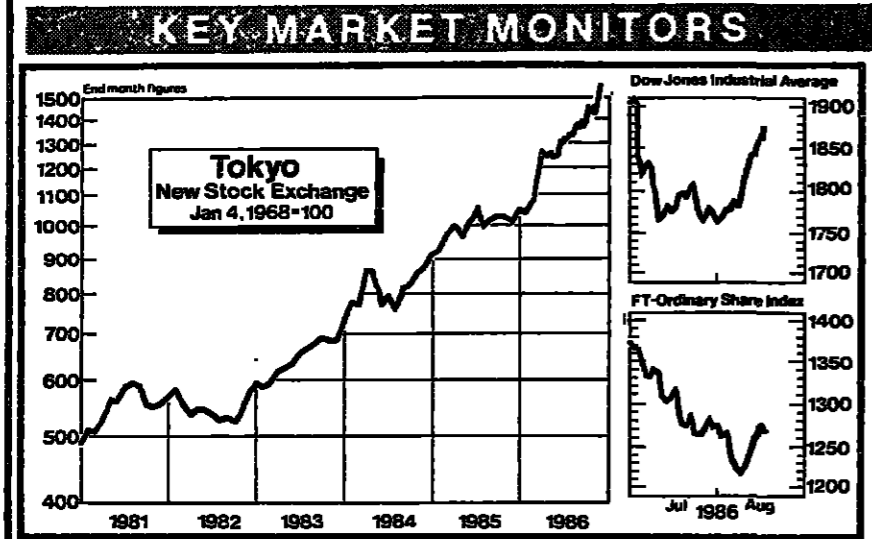
Panhandle Eastern added \$1/4 to \$44 1/4 on speculation that it will spin off its Anadarko Petroleum unit. Anderson Clayton jumped \$2 1/4 to \$56 1/4 as Bear Stearns, Quaker Oats and Grumman Petroleum opened a tender offer at \$56 a share - although rejected by the Anderson board.

There was demand for the Bell system operating companies. Ameritech gained \$3 1/4 to \$147, Southwestern Bell \$2 1/4 to \$114 and Bell Atlantic \$1 1/4 to \$74 1/4.

American Telephone & Telegraph itself gained \$1/2 to \$23 1/2 in heavy turnover after announcing further workforce layoffs.

Pharmaceuticals looked irregular despite expectations of another fall in the dollar, which would benefit international sales. Merck, the sector's representative in the Dow average, fell 1 1/4 to \$114. The star was ICI Pharmaceuticals, up \$3 1/4 to \$33 1/2 after receiving clearance in Canada for its Virazol anti-viral drug.

Spurred on by the latest evidence of a sluggish economy, bonds advanced by nearly half a point, driving long-term yields to new cyclical lows. Treasury-bill rates also shad lower behind federal funds at 6 1/4 per cent, eagerly changed by the market for a hint of any change in credit policy following this week's meeting of the Open Market Committee.



NEW YORK	August 20	Previous	Year ago
DJ Industrials	1,881.33	1,882.91	1,323.70
DJ Transport	751.13	744.00	679.54
DJ Utilities	219.15	213.38	158.70
S&P Composite	249.77	246.51	188.06

LONDON	August 20	Previous	Year ago
FT Ord	1,268.4	1,267.8	988.2
FT-SE 100	1,604.8	1,604.4	1,307.1
FT-A All-share	792.74	793.35	635.21
FT-A 500	871.01	872.33	694.16
FT Gold mines	222.5	219.0	322.8
FT-A Long gilt	n/a	9.44	n/a

TOKYO	August 20	Previous	Year ago
Nikkei	18,936.20	18,792.60	12,640.00
Tokyo SE	1,583.35	1,566.49	1,016.86

AUSTRALIA	August 20	Previous	Year ago
All Ord	1,177.6	1,185.3	955.9
Metals & Mins.	538.2	545.0	548.1

AUSTRIA	August 20	Previous	Year ago
Credit Aktien	235.71	234.54	194.80

BEELGIUM	August 20	Previous	Year ago
Belgian SE	3,826.57	3,813.79	2,331.88

CANADA	August 20	Prev	Year ago
Toronto	2,058.2	2,001.4	2,070.0
Metals & Mins	3,019.2	3,006.8	2,781.4
Montreal	1,505.93	1,498.86	135.23

DENMARK	August 20	Previous	Year ago
SE	199.91	198.62	216.86

FRANCE	August 20	Previous	Year ago
CAC Gen	394.20	391.40	215.9
Ind. Tend	151.30	150.70	79.5

WEST GERMANY	August 20	Previous	Year ago
FAZ-Aktien	686.54	688.66	497.71
Commerzbank	2,076.6	2,079.70	1,413.9

HONG KONG	August 20	Previous	Year ago
Hang Seng	1,941.28	1,935.69	1,692.74

ITALY	August 20	Previous	Year ago
Banca Com.	808.44	799.01	366.28

NETHERLANDS	August 20	Previous	Year ago
ANP-CBS Gen	297.50	298.10	216.1
ANP-CBS Ind	302.30	303.50	190.5

NORWAY	August 20	Previous	Year ago
Oslo SE	352.99	358.02	356.42

SINGAPORE	August 20	Previous	Year ago
Straits Times	802.94	803.35	754.88

SOUTH AFRICA	August 20	Previous	Year ago
JSE Golds	-	1,567.1	979.9
JSE Industrials	-	1,300.8	941.9

SPAIN	August 20	Previous	Year ago
Madrid SE	192.89	195.27	82.62

SWEDEN	August 20	Previous	Year ago
J & P	2,568.45	2,567.44	1,312.21

SWITZERLAND	August 20	Previous	Year ago
Swiss Bank Ind	545.60	550.70	465.4

WORLD	August 19	Prev	Year ago
MS Capital Int'l	354.80	353.4	218.8

US DOLLAR	STERLING			
(London)	Aug 20	Previous	Aug 20	Previous
\$	-	-	1.5045	1.52
DM	2.0485	2.058	3.0825	3.0925
Yen	153.35	153.4	230.75	230.50
FF	6.6825	6.71	10.0525	10.0775
Sfr	1.6465	1.658	2.4775	2.49
Scandin	2.3090	2.32	3.475	3.485
Lira	1.410	1.416	2.121	2.127
BFR	42.45	42.55	63.85	63.90
CS	1.3910	1.394	2.0900	2.0945

Euro-currencies	Aug 20	Prev
(3-month offered rate)	3-month	3-month
\$	9 3/4	9 1/4
SFR	4 1/4	4 1/8
DM	4 1/4	4 1/8
FF	7 1/8	7 1/8

(offered rate)	3-month	6-month	9-month
US\$	6 1/8	6 1/8	6 1/8
UK\$	6 3/4	6 3/4	6 3/4
US\$-month CDs	5 5/8	5 5/8	5 5/8
US\$-month T-bills	5 4/8	5 4/8	5 4/8

Treasury	August 20	Prev	Yield	
Price	Price	Price	Yield	
6% 1988	100 1/2	6.206	100 1/2	6.276
7% 1993	102 1/4	6.797	102	6.878
7% 1996	102 3/4	6.97	102 1/4	7.014
7% 2016	101 1/4	7.152	100 3/4	7.19

Maturity	Aug 20	Day's	Yield	Day's
(years)	Return	change	change	change
1-30	157.57	+0.18	6.86	-0.02
1-10	149.23	+0.12	6.60	-0.02
1-3	139.33	+0.07	6.28	-0.02
3-5	151.74	+0.15	6.73	-0.03
15-30	187.63	+0.43	7.71	-0.02

AT & T	August 20	Prev	Yield	
Price	Price	Price	Yield	
3 1/2% July 1990	91.375	6.44	91.375	6.44
SCBT South Central	106.75	9.472	106.75	9.472
Phibro-Sel	93.654	8.05	93.654	8.15
8 April 1986	100	8.75	103.25	8.25
TRW	106.75	9.206	106.5	9.23
9% March 2016	93.5	8.74	93.65	8.766
Citicorp	100.25	9.35	100	9.375
9% March 2016	100.25	9.35	100	9.375

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT)	102-12	102-21	101-28	102-08
8% 32nds of 100%	94.82	94.85	94.61	94.61
Sept	94.25	94.25	94.25	94.25

LONDON	Latest	High	Low	Prev
Three-month Eurodollar	93.93	93.85	93.93	93.89
Sept	122-02	122-18	121-28	121-28

AUSTRALIA Short-lived enthusiasm for budget

WIDESPREAD profit taking among leading industrial and mining stocks left Sydney lower after some early enthusiasm, in the wake of the Federal budget, evaporated.

The All Ordinaries index fell 7.8 to 1,177.8 on volume that dipped to 79.7m shares from the previous day's 107m.

Investors' confidence was sapped by the failure of the currency markets to react positively to the A\$3.5bn budget deficit forecast, leaving interest rate sensitive industrial leaders under pressure.

Banks which attracted some early support soon led the turnaround. National Bank shed 10 cents to A\$5.38, Westpac 6 cents to A\$4.70, ANZ 2 cents to A\$4.94 and Advance 19 cents to A\$2.56.

Transport stocks were out of favour as a result of increased fuel taxes. Brambles fell 10 cents to A\$8.20 and TNT 20 cents to A\$3.18.

Among media stocks, Fairfax put on 20 cents to A\$5.80, News Corp held unchanged at A\$24 and Herald and Weekly Times lost 6 cents to A\$8.10.

BHP recovered an early decline to end unchanged at A\$8 while Bell Resources shed 20 cents to A\$4.70 and Bell Group dropped 60 cents to A\$9.90.

Prices of leading gold stocks held up despite easier international bullion prices. Kidston rose 20 cents to A\$7.10 and Renison 10 cents to A\$7.70.

LONDON

GOVERNMENT stocks turned in another strong performance in London yesterday.

Optimism mounted over the US authorities initiating a further round of international interest rate reductions and period rates for credit in London continued to ease in reaction.

Among equities, small sellers were active for a while but thereafter selective demand caused prices to revert gradually to their overnight positions. The FT Ordinary index recovered from a low of 1,259.3 to end 0.6 better on the day at 1,268.4.

Chief price changes, Page 27; Details, Page 26; Share information service, Pages 24-25.

HONG KONG

SELECTIVE local and overseas buying enabled Hong Kong to pick up after some mid-day profit taking and the Hang Seng index rose 5.59 to 1,941.28.

Institutional investors remained out of the market, leaving turnover down from Tuesday's 518m shares at 336m - the lowest since July 18.

Hutchison Whampoa put on 50 cents to HK\$34 while China Light and China Gas each posted 20 cent advances to HK\$16.70 and HK\$16.30, respectively.

Swire Pacific put on 10 cents to HK\$14, Cathay Pacific 15 cents to HK\$5.75 and Hongkong Aircraft Engineering HK\$1.75 to HK\$3.50. All three are expected to announce strong interim profits next week.

EUROPE

Weak \$ is unsettling influence

PROFIT-TAKING developed as the sole unifying factor in most major European bourses yesterday as uncertainty over the weaker dollar caused investors to cash in shares.

Three bourses resisted this trend, however.

Paris continued to move higher as it retained the interest of foreign investors. Institutions also featured as active buyers ahead of the September monthly trading account - settlement for this month's account falls due today.

Drinks issues made the most notable gains with Martell up Ffr 103 to Ffr 1,452. Pernod Ffr 19 higher at Ffr 1,044. Perrier ahead Ffr 13 at Ffr 778 after dropping Ffr 10 in the previous session, and Moët-Hennessy up Ffr 9 at Ffr 2,319.

Oils were stronger as the sector rebounded from previous selling pressure. Total-CFP led the way gaining Ffr 13 to Ffr 423. The state controlled oil group has begun a seismic survey of the city of Paris and its suburbs and the first exploratory well is likely to be drilled early next year.

Bouygues, parent company of France's leading public works and construction group, faded Ffr 18 to Ffr 1,449 despite reporting a 6 per cent gain in revenue for the first half while Dumex, also in the construction business, slipped Ffr 14 to Ffr 1,471 after news of lower turnover for the first six months.

Milan moved further ahead yesterday although gains were narrower than in the previous session.

Blue chips were again favourites and insurers continued to attract strong buying. Generali rose L1,500 to L167,300, its third successive gain this week, while Toro remained steady at L26,485.

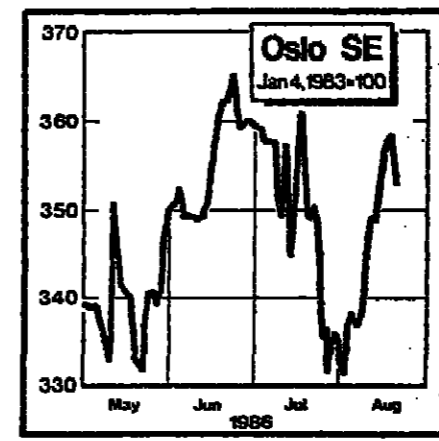
Among industrials, Montedison advanced L160 to L3,710. Snia gained L50 to L6,250 and Fiat was stationary at L16,000.

The Italian Treasury announced it will offer investors L16.5 trillion worth of three, six and 12-month Treasury bills at its auction at the end of August, with conditions set for the offering which indicate a slight decline in the yield.

At the same time, Consob (the bourse regulatory authority) said that the regulation was now in operation which obliges companies listed on the bourse to publish a financial prospectus ahead of a capital-raising exercise.

Brussels was kept firmer by hopes of a possible reduction in domestic interest rates.

Thus, interest-rate sensitive utilities rose with Intercom up Bfr 70 at Bfr 3,900 and selected industrials also



TOKYO

Rate hopes fuel the record run

CONTINUED buying by institutional investors took shares to a fifth all-time high in Tokyo yesterday, writes Shugo Nishimaki of Fuji Press.

Buying interest gathered momentum as expectations grew for co-ordinated discount rate reductions by the US, West Germany and Japan following the sharp cut in US gross national product figures for April-June.

Giant-capital steels, shipbuilders, utilities, trading houses and heavy electricals were sought, while other issues weakened on light selling.

The Nikkei market average added 143.63 to 18,936.24, the 10th consecutive daily gain. Although the Tokyo stock exchange shortened the afternoon session by 30 minutes because of recent trading confusion, volume totalled a record 2.2bn shares, up from Tuesday's 1.8bn shares and eclipsing the March 27 peak of 1.9bn. Declines led advances by 513 to 349, with 119 issues unchanged.

Institutional investors and corporations with large surplus funds concentrated their buying on big-capital stocks for quick profit and sold other issues in small lots.

Kawasaki Steel was the most actively traded issue, with 267m shares changing hands, and Nippon Kokan, second busiest with 251m shares, added Y11 to Y370 and Nippon Steel, third with 211m shares, gained Y10 to Y214. Ishikawajima-Harima Heavy Industries put on Y25 to Y440 and Mitsubishi Heavy Industries Y31 to Y610.

Export-orientated heavy electricals were also popular, despite the dollar's temporary slide to below Y133 on the Tokyo foreign exchange. Hitachi soared Y45 to Y940, Toshiba Y3 to Y843 and Mitsubishi Electric Y13 to Y476.

Blue-chips were mixed. NEC put on Y40 to Y1,710 and Matsushita Electric Industrial Y30 to Y1,380, while Arisau Electric and Victor of Japan (JVC) each shed Y110 to Y3,150 and Y2,240.

Bonds moved widely on speculative trading by dealers. Banks and securities companies bought actively in the morning, reflecting the strong probability of an imminent cut in advanced countries' discount rates.

The yield on the benchmark 6.2 per cent government bond due in July 1995 tumbled from 4.58 to 4.52 per cent at one point. But it closed almost unchanged from the previous day's finish at 4.55 per cent on news of the Bank of Japan's cautious attitude towards a discount rate reduction. Some market sources were predicting that the market may soon enter a liquidation phase.

Amsterdam suffered from two influences: expectations of lower interest rates boosted some issues while profit-taking stripped other stocks of gains made early this week.

Sentiment was improved by the decision from Steel Bankiers to scrap its 1/2 per cent surcharge on loans and overdrafts which flowed on from Tuesday's surcharge cut from the central bank.

Among banks, NMB firmed Ffr 6 to Ffr 228 after reporting a 30 per cent increase in first half income but both ABN and Amro were lower, the former losing Ffr 1 to Ffr 582 ex-dividend and the latter dropping Ffr 1 to Ffr 107.80. A report by Rabobank, the co-operative bank which reported flat first half earnings, was seen to be the dampening influence.

Hoogovens continued its lower spiral, dropping 50 cents to Ffr 78.70 again on the affect of its weaker first-half earnings.

Philips, which has set up a joint venture with two Japanese companies to produce and sell electrical components, advanced 80 cents to Ffr 53.80.

Bonds rose on hopes of lower rates in the Netherlands.

Frankfurt entered a correction phase after sharp gains on Monday and Tuesday. Banks and cars, which had posted the strongest advances, naturally suffered most in the retreat.

Continued on Page 27

SOUTH AFRICA

GOLD shares climbed to record highs in Johannesburg as local investors demonstrated their enthusiasm on the outlook for the bullion price.

Among leading issues, Vaal Reef advanced R10 to R310, Randfontein R11 to R360 and Western Deep R4 to R149.

Most other mining issues followed suit. De Beers put on 60 cents to R32.60 and Rustenburg Platinum gained R1.25 to R53.50.

Impala Platinum was unchanged at R55 after results, while in the copper sector Palabora eased 50 cents to R53.30.

Industrials were mixed, with Barlow Rand 25 cents higher at R19.20 and South African Breweries 10 cents lower at R13.

SWISS VOLKSBANK FINANCE (CAYMAN ISLANDS) LTD.

Grand Cayman

Notice to holders of the Warrants ("A" and/or "B") under the 6 1/2% US\$ 75 million Guaranteed Notes with Warrants 1985-90

The Board of Directors of Swiss Volksbank decided on August 7, 1986 to issue subordinated Bonds with Warrants in the total amount of SFr. 165 mio. Present shareholders and holders of Bearer Participation Certificates are granted the right to subscribe in the period from September 16 to 28, 1986 to this new issue as described below:

For every 8 shares at a nominal value of SFr. 500.- each, or every 80 Bearer Participation Certificates at a nominal value of SFr. 50.- each, holders are entitled to subscribe to SFr. 1000.- in this new issue. Each bond at a par value of SFr. 1000 carries two Warrants ("A" and "B"). For every 5 "A" Warrants of this new issue, holders will be entitled to purchase 2 Swiss Volksbank shares at a nominal value of SFr. 500.- up to and including March 31, 1986. For every 5 "B" Warrants, holders will be entitled to purchase 1 Swiss Volksbank share at a nominal value of SFr. 500.- up to and including December 1, 1988. The definitive conditions for the issue as well as the exercise price of the Warrants will be determined on September 10, 1986 and thereafter announced in the obligatory publications.